

FINANCIAL TIMES

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D 8523 B

U.S. perched on a protectionist volcano, Page 4

NEWS SUMMARY

GENERAL

Israel's parties vie for power

Israel's two main political parties, elected by Monday's inconclusive general election, began the task of trying to piece together a coalition government from among the 15 parties which won Knesset seats.

Negotiations are expected to continue for weeks without guarantee that either the ruling Likud bloc or the opposition Labour Party will be able to form a stable coalition. In the wake of the election result the Bank of Israel suspended foreign currency trading for 24 hours.

Officials denied that a big devaluation of the shekel was imminent, but the black market price of the dollar soared 40 per cent above the official rate in anticipation of new economic measures. Problems that follow a photo-finish, Page 10

Pfllimn elected

Former French Prime Minister Christian Democrat Pierre Pfllimn, 77, was elected president of the European Parliament for a 2½-year term, defeating outgoing president Pini Dancourt, Dutch Socialist, and Italian Independent Altiero Spinelli in the second ballot. Page 12

Iberia flies again

Iberia, Spain's state airline, said flights were back to normal after a government mediator ordered an end to a five-week pilots' strike.

Blast kills nine

An oil refinery explosion in Romeville, Illinois, killed nine people and injured 20.

Spain holds Iranians

Spanish police said four Iranians, arrested in Madrid and Barcelona, had grenade launchers and planned an attack on a Saudi airliner.

Sikh state rejected

Indian Premier Indira Gandhi firmly rejected demands for "Khalistan", an independent Sikh state. Page 3

Europassport delay

Introduction of the planned EEC-style, red-covered British passport has been delayed until 1987, British Home Secretary Leon Brittan said.

Afghan offensive

Soviet and Afghan forces have launched a strong offensive against Moslem guerrillas who are regrouping in the Logar Valley south of the capital, Kabul.

China crime falls

Peking's crime rate has fallen dramatically since authorities launched a crackdown last August. The number of murders fell by 70 per cent but the incidence of rape remained high, according to the official newsagency.

Japan crime soars

Crime in Japan last year rose to its highest level since the early post-war years, especially among the country's youth, according to a National Police Agency survey there were 1.54m criminal offences recorded.

Soviet crackdown

A campaign to strengthen discipline in Soviet trade unions has led to the dismissal of 289 officials of one union, the daily Sovetskaya Rossiya has reported.

Climbing costs

Expedition fees for climbing Mount Everest are to rise from \$800 to \$3,000, Nepal said.

BUSINESS

French fork lift group collapses

FENWICK-MANUTENTION, the leading French fork lift truck maker, has filed for bankruptcy after failing to join forces with a competitor. The group ranks 14th in the world and has 1,500 employees. Page 12

DOLLAR was weaker in London at DM 2.868 (DM 2.878), FF 8.785 (FF 8.8275), SwFr 2.437 (SwFr 2.441) and Y246.0 (Y246.9). On Bank of England figures, its trade-weighted index fell from 137.9 to 137.5. In New York it closed at DM 2.868, FF 8.780, SwFr 2.441 and Y245.9. Page 31

STERLING rose 55 points in London to \$1.3245. It was also higher at DM 3.8 (DM 3.79), FF 11.65 (FF 11.635) and SwFr 3.2275 (SwFr 3.2075). It was unchanged at Y225.75. Its trade-weighted index improved to 79.0 from 78.9. In New York it closed at \$1.324. Page 31

GOLD rose \$3.75 on the London bullion market to \$338.25. It was also higher in Frankfurt and Zurich at \$338.75. In New York, the July Comex settlement was \$337.60. Page 30

WALL STREET: The Dow Jones industrial average closed 10.05 down at 1,086.57. Section III

LONDON equities gained strength, with the FT Industrial Ordinary Index 8.2 higher at 763.5. Gilt rallied. Section III

TOKYO stocks reversed five consecutive days of declines and the Nikkei Dow market average added \$5.61 to 7,738.96. Section III

EEC FOREIGN ministers yesterday put pressure on the Reagan Administration by saying they would retaliate against any further attempts to curb Community steel sales to the U.S. Page 4

OECD (the Organisation of Economic Co-Operation and Development) expects limited progress towards cutting Canada's high unemployment rate before the end of next year. Page 4

EXXON, the world's biggest oil company, increased its second-quarter net income by 25 per cent to \$1.35bn despite a sharp drop in refining and marketing income. Page 13

ITT, the U.S. telecommunications conglomerate, suffered nearly a 50 per cent fall in second-quarter net income to \$78m, mainly because of problems at an insurance subsidiary. Page 13

E. F. HUTTON and Paine Webber, U.S. securities firms, both reported losses. Hutton had a second-quarter net loss of \$7.8m compared with net earnings of \$44.5m while Paine Webber lost \$3.96m against net earnings of \$23.8m in its fiscal third quarter. Page 13

BEATRICE companies, the diversified U.S. group, plans to sell five of its businesses to reduce debts incurred in its pending takeover of Esmark.

WESTERN UNION, U.S. telecommunications services group, reported a second-quarter loss of \$2.96m or 26 cents a share compared with a profit of \$27.6m or \$1.05 a share in the same period in 1983.

MARSH & McLENNAN, the U.S. insurance broker, disclosed heavy losses from unauthorised bond dealings this year, increased its second-quarter profits 14 per cent to \$29m, although first-half profit was only \$686,000 after a \$110m investment loss.

Production difficulties in London may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

EEC battle looms over Commission's dairy sales plan

BY PAUL CHEESERIGHT IN BRUSSELS

THE European Commission has thrown down a challenge to the leaders of the EEC by announcing a politically sensitive programme of increased sales - at home and abroad - of subsidised dairy products.

The costs, however can only be met by a supplementary EEC budget for 1984, and discussion about the budget between foreign ministers yesterday was abandoned as the UK maintained its line that there should not be a supplementary budget at all.

Negotiations at ministerial level will not be resumed until September, a month before the EEC's funds are expected to run out.

Cut-price butter will be offered to the Soviet Union, Iran and other Middle East countries it will also be offered to the EEC food processing industry, Mr Claude Villain, the

Commission's Director-General of Agriculture, said.

On the basis that it is cheaper to sell butter at a subsidised price, than store it, the Commission expects this year to sell up to 75,000 tonnes from the EEC "butter mountain," now 1m tonnes and expected to reach 1.25m tonnes by the end of the year.

Sales next year could climb 150,000 tonnes above what the EEC would normally expect to sell.

M Villain undertook that the EEC would respect the minimum price for butter sales agreed at the General Agreement on Tariffs and Trade (GATT) of \$1,200 a tonne. But this is \$400 less than prevailing world prices.

The sales programme is thus likely to cause severe trade tensions with both the U.S. and New Zealand, which are active in the target EEC markets.

At the same time, the programme may cause resentment within the EEC itself as comparable cut-price sales are not being offered to consumers.

The cost of the sales to the EEC this year is calculated at Ecu 150m (\$117m), but M Villain said spending this year would lead to economies in 1985.

The measures in the dairy sector, allied to other steps to cope with a weak beef market and proposals for wine production and disposal were being taken in the interests of "good management" M Villain said. "It is a trial of strength" with the Council of Ministers, he added.

The Commission has the power to make the dairy sales, but it is dependent on the Council to provide it with the money.

It was not clear yesterday that the Council wanted to adopt the Commission's plan for a Ecu 2.1bn supplementary budget, of which the greater part would go to agriculture, including meeting the cost of expenditure failed.

An early morning bid by Mr Peter Barry, the Irish Foreign Minister and Council President, to persuade Sir Geoffrey Howe, the British Foreign Minister, that the hole in the EEC finances could not be filled by economies and deferrals of expenditure failed.

The other nine countries are agreed that money needs to be found, but they are not clear on how much or where it should come from.

Initial costs of the dairy sales can be met by switching expenditure about from one part of the farm budget to another. But failure quickly to resolve the supplement-

ary budget question will mean that the Commission is, quite legally, spending money it does not have.

The Commission is also planning to pay for the cost of transforming butter into ghee, a cooking oil used in the Middle East, and develop sales of the product.

In the beef sector, it plans to start buying meat for stock earlier this year than usual and to pay for private storage in an effort to keep supplies away from a depressed market.

On wine, it is proposing to the Council a price freeze and a subsidy to the growers who pull up vines, to try to reduce the size of the EEC's 3.2bn litre "wine lake."

Steel quotas raised, Page 2; Hitting back at U.S. protectionist, Page 4; Boosting the beef market, Page 30

Fine arts salerooms have best year ever

By Antony Thornton in London

THE WORLD'S leading fine arts salerooms, all based in London, yesterday announced record turnovers, making 1984 the best year ever in auction house history.

The extraordinary rises in turnover are accounted for, in part, by the strength of the dollar. Sotheby's and Christie's alike have had excellent years in their New York salerooms, which boosts their turnover if measured in terms of sterling. Sotheby's does not release the split between London and New York business, although New York is becoming more important, but for the first time Christie's achieved a higher turnover in New York than in London: sales of £158m compared with £134.3m for its main, King Street saleroom in London's West End and £22.5m for its South Kensington operation.

Yet even without the boost to the figures given by the exchange rate it has been a remarkable year for the auction houses. Christie's in King Street, for example, raised turnover by well over 60m, and South Kensington turnover was almost 55m higher. The buoyancy in the market extended over virtually every department, and chairman Mr John Floyd is optimistic about the autumn season.

Sotheby's sold some notable collections in New York, in particular the Dryhursts, Wolf Impressionist sale, which brought in over £2m for just 10 pictures, with a record

Continued on Page 12

Fabius pledges to attack inflation

BY DAVID HOUSEGO IN PARIS

M LAURENT FABIUS, the new French Prime Minister, yesterday pledged his Government to enforcing a strongly anti-inflationary policy in the interests of improving France's international competitiveness.

In his first speech before the National Assembly as Prime Minister, he sought to give his administration a centrist, social democrat image that was noticeably absent from his choice of ministers. The watchwords of his statement of policy were "consensus," "tolerance," and "modernisation."

The Communists, who declined to join M Fabius's administration as coalition partners, sat silently at the end of his speech. He told them he would do his utmost to create new jobs, but said modernisation would initially add to unemployment.

Later M André Lajoie, chairman of the Communist group in the Assembly, said the Communists would abstain in the vote of confidence. Their position should not be identified with the negative vote of the Right, M Lajoie added.

The Communist decision means, however, that they can no longer be considered as part of the government majority in the Assembly.

To underline his goal of national consensus and to seize the initiative from the Opposition, M Fabius put forward two novel proposals for involving opposition deputies in formulating policy over urban violence and early retirement.



M Laurent Fabius

On the economic front, he foreshadowed further measures to bring down inflation, cut the trade deficit and reduce the size of the state deficit.

"Our inflation rate is approaching that of our trade partners; but it is higher than had been forecast. Our balance of payments is recovering, but slowly. Investment is taking off, but only weakly. The budget deficit has been limited, but the Finance Minister must try to cut it more... There can be no letting up in our efforts," the Prime Minister said.

M Jacques Delors, the former Finance Minister, had given a rosier picture of the Government's success in adjusting the economy.

M Fabius indicated that rigorous policies to improve French competitiveness would be maintained

through to the legislative elections of 1988. Voters would then judge the government's success.

To speed the modernisation of the economy, M Fabius said the Government would give priority to research, investment and training. He promised a 10 to 15-year recruitment programme to strengthen France's research effort.

Industry would benefit from an easing of its tax burden, the gradual freeing of industrial prices and a higher proportion of national savings.

On industrial retraining, he said the minimum would be to ensure that all those unemployed could have access to retraining schemes that would adapt them to new technologies.

In his delivery, M Fabius was deliberately matter-of-fact and avoided flashes of oratory. He risked being dull in an effort to sidestep accusations of resorting to gimmickry or of flaunting his youth. Towards the Opposition, who interrupted him surprisingly little, M Fabius was unusually conciliatory, merely pleading to be heard.

His opening words as he rose before a packed assembly struck what was intended to be the keynote of his speech. He said: "To modernise and to achieve a consensus; those are the priorities of my Government."

He said he would make only one promise to the French, "to tell the truth."

Industry under Fabius, Page 2

\$1bn write-off by Continental Illinois expected

BY WILLIAM HALL IN NEW YORK

CONTINENTAL ILLINOIS, the beleaguered Chicago bank, is expected to announce a \$1bn write-off and a massive second-quarter loss as part of the multi-billion-dollar rescue shortly to be announced by the Federal Deposit Insurance Corporation (FDIC).

New York bankers had expected the measures to be announced yesterday.

Although there appeared to have been a last-minute delay, bankers said the reports of the broad outline of the package, which were circulating on Wall Street, were essentially correct although details might change.

The main elements in the long-term survival plan for Continental Illinois appear to be:

- The FDIC will buy some \$3bn of Continental's problem loans for \$2bn and will undertake to buy another \$1.5bn over the next few years if the need arises.

Most of the loans assumed by the FDIC will be among Continental's energy credits, and it is understood that the bank will retain its sizable foreign loan portfolio.

Continental will be effectively split into two with the problem loans being administered by a separate division of the bank.

The division will be answerable to the FDIC and the "clean" bank operating normally.

● The FDIC will inject \$1bn of new capital into Continental Illinois, which will give it effective control.

The new securities issued to the FDIC will be convertible into about 80 per cent of Continental's common stock.

● The \$5.5bn "safety net" being provided by the leading U.S. commercial banks will remain, and the Federal Reserve will lend the FDIC \$3.5bn to help it to finance the rescue.

● The FDIC will strengthen Continental's management team and is reported to be looking for a new chairman and president.

The rescue, which effectively means that Continental Illinois will end up being owned by the U.S. Government, is likely to come under attack in Congress.

However, federal bank regulators hope the package will be sufficient to enable Continental to trade its way back to health and enable the FDIC to sell its shares at a profit.

Initial reaction from international bankers in New York was favourable.

If the outlined plan is implemented, Continental's capital ratios will be significantly strengthened and bankers believe the bank will have little difficulty in returning to the market for funds normally.

EEC to ease competition laws for patent holders, licensees

BY PAUL CHEESERIGHT IN BRUSSELS

PATENT HOLDERS and those they license to make their products are to receive widespread and automatic exemption from the competition laws of the European Community.

The European Commission, which has the power to legislate in that area after consultation with the Ten, yesterday published the terms under which the exemptions from the rules will be permitted.

The publication ends a decade of debate and denotes action by the Commission to use powers it was granted 19 years ago.

The general purpose of the new legislation is to hasten the spread of technology throughout the EEC while providing a measure of financial security for companies prepared to invest in new developments.

The Commission's action breaches the purity of the doctrine enshrined in Article 85 of the Treaty of Rome setting up the EEC, that market-sharing is a barrier to free competition.

It emphasises the policy of using competition policy in unison with industrial policy, and in that sense

is a companion measure to exemptions given under the competition rules to companies undertaking joint research, development and production projects.

The essence of the new procedures is that when a company gives a production licence to another company or to a number of companies, they will not have to compete among themselves. They can, in other words, each stick to their own market territory.

That applies both to active competition - advertising and making a definite effort to sell - and to passive competition - where one licensee holder might respond to an order from the territory of a customer in another licensee holder's area.

The inclusion of protection against passive competition, which can last for up to five years from the sale of a new product, is a new element in the Commission's powers and was included after talks with the Ten last March.

The exemption from the competition regulations does not, however, extend to attempts by companies involved in licensing agreements to

stop parallel trade - that is buying and selling of the product outside the manufacturer's own lines of distribution.

Companies are also receiving greater freedom of manoeuvre for the exchange of technological information related to the development of the product.

Most likely agreements for the sale of licences will be drawn into the system of exemption from the competition rules and need not be notified to the Commission. Those which do not meet the Commission's criteria, however, can still be exempted, provided they are notified and the Commission raises no objection in six months.

The readiness to abandon, in specific areas, principles in the competition rules marks an important change in the attitudes of the Commission. Its earlier attempts to legislate in that area met sharp opposition from business because they laid greater emphasis on promoting commercial rivalry.

The West plugs a high-tech drain, Page 11

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Which one?

With floating exchange rates the volatility of currency values has dramatically increased over the years. At the same time, the daily trading volume in the world's currency markets is 15 to 20 times greater than that of the world's stock markets.

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EUROPEAN NEWS

Commission increases steel output quotas

BY PAUL CHEESRIGHT IN BRUSSELS

CONTINUED STABILITY on the European steel market has led the European Commission to add 430,000 tonnes to the production quotas allocated to steelmakers for the current quarter.

Table with 4 columns: Quota type, 1/1984, 2/1984, 3/1984. Rows include Hot rolled coils, Hot cold rolled sheet, Galvanneal sheet, Other coated flat products, Reversing mill plate, Wide beams, sections, Wire rods, Reinforcing bars, Merchant bars.

It is also proposing to raise slightly the minimum prices on a wide range of products after consulting steelmakers and consumers.

The whole system is designed to give protection to steel producers while they restructure. The controls last until the end of next year.

The original production quota set for the third quarter had purposely been pitched on the low side, partly to make certain that the gathering firmness of the market would be maintained and partly to take into account the expected seasonal downturn in output caused by holidays.

lowing a rebate from the guideline price. It was the failure of producers to observe the latter that led to the introduction of the minimum prices at the end of 1983.

East bloc denounces Bonn

BY LESLIE COLTIN IN BERLIN

THE SOVIET Union and its allies accused West Germany of militarism and expansionism in the latest twist of an intensifying campaign against the Bonn Government.

German government is expected to announce its guarantee this week for a DM 950m (\$331m) bank loan to East Germany. The two German states are also thought to have reached agreement on a visit to West Germany in late September by President Erich Honecker.

Unemployment in Italy rises

By Alan Friedman in Milan

ITALY'S unemployment rate increased to 10.4 per cent in April, from 9.9 per cent in January.

Spanish EEC entry hopes recede at talks

BY OUR BRUSSELS STAFF

HOPES of a rapid conclusion to the negotiations for Spain to join the European Community receded yesterday after talks revealed sharp differences over the terms of Spanish accession.

cars against an EEC tariff of 4 per cent. On agriculture, Spain will apparently not accept the sort of controlled market for fruit and vegetables required by France and Italy and wants greater access.

Moscow clarifies stance on space arms

By David Buchan in London and Anthony McDermott in Geneva

THE SOVIET UNION yesterday added a further public rejoinder to its position on joining the U.S. for talks in September on demilitarising outer space, as diplomats of the two superpowers continue negotiation on a joint agenda for space weapon talks.

A commentator for the Soviet Press agency Novosti said that a moratorium on space weapon development was not a "prior condition" to Moscow sitting down with the U.S. in Vienna.

"If the Soviet Union had continued the negotiation (on INF) at the moment when the Americans were set to deploy them on West European ranges, it would have found itself in the unenviable position of an accomplice in the missile plans for Europe," Mr Chepurov said.

Dutch industry forecasts 29% investment rise

By Walter Ellis in Amsterdam

A 29 per cent rise in investment this year is forecast by Dutch manufacturers. A survey published this week shows that investments, excluding those in the construction sector, could reach Ft 10.8bn (£2.5bn).

Fabius borrows a Japanese idea

BY OUR PARIS STAFF

FRANCE'S NEW Prime Minister, M Laurent Fabius, has decided to follow the Japanese example and link foreign trade and industry under one minister.

night when handing over his old ministry to Mme Edith Cresson, the new Minister of Trade and Industrial Redevelopment, that he had created a separate research portfolio otherwise have half the Government.

one of the driving forces of the French space programme. Mme Cresson was Trade Minister in the last government and has already shown every intention of pursuing her crusade to improve French export performance and reduce the trade deficit.

salvage of the Creusot-Loire heavy engineering group and is likely to be further treated soon by the problems of the motor industry.

Paul Betts assesses the French Communist Party's future

Old guard wins battle but not war

M GEORGES Marchais, the truculent secretary-general of the French Communist Party, has always had a taste for amateur dramatics. He displayed this penchant last week, when he interrupted a holiday in Romania for 72 hours to return to Paris, pull the Communists out of government and promptly fly back to continue Sea. He left behind, however, a party divided, confused and deeply worried about its future.

Although the Communists are expected to hold their fire for the present in the National Assembly, they are likely to bring out the heavy artillery against the government's tough 1985 budget in the autumn.

longer the job of secretary general he has held since 1972—that is if he wants to continue fighting rather than "retire" since the 1981 legislative elections, when the Communists polled 16.1 per cent of the total, there has been speculation that he would step down.

Since the Left came to power in 1981, however, M Marchais has done what most Communist party observers regard as a singularly bad job for his party. He has never been comfortable with the recent policy of having one foot in the government while attacking President Mitterrand's economic programme.

It was, it seems, the old guard that decided to pull the Communists out of government. They had been shocked by the lack of discipline at the central committee meeting after the European election setback when even the sacred philosophy of democratic centralism was queried.

Perhaps more significantly in some ways it also marks a climax in an internal party debate which burst to the fore after the Communists' humiliating performance in the European elections, in which they polled 21 per cent of the vote, the same as the extreme right-wing National Front.

The Communists' exit raises two immediate questions. First, what will the party's approach be to the new Socialist government, and will it step up attacks on M Mitterrand's policies through the huge CGT labour confederation?

work will enable him to resume the reforming line he was pursuing before he entered government.

For M Fiterman the main challenge is more likely to come from the old guard rather than from a M Marchais keen to hold on to his position. The conservatives view M Fiterman with respect but suspicion.

But the Kremlin has scorned the Americans' helping the INF forum, if the West would just agree to halt, not reverse, current U.S. deployments.

The "renovateurs" argue that the Communists can only survive as a political force in France if the party evolves towards the Italian model. However, the more dogmatic members of the old guard would rather see the party drop to 5 per cent of the national vote and preserve a strong old-fashioned Stalinist line than see it change and command 20 per cent of the vote.

It was, it seems, the old guard that decided to pull the Communists out of government. They had been shocked and troubled by the lack of discipline at the party's central committee meeting after the European election setback when even the sacred philosophy of democratic centralism was queried.

the picture of the Communist delegation going in and out of the new Prime Minister's office last week negotiating the party's presence or departure from government was not without its symbolic significance. The delegation consisted of three men—M Marchais, M Fiterman on one side and M Lajoie on the other.



Giscard: old seat

Giscard bids for parliament seat

BY OUR PARIS STAFF

THE WAY has been cleared for M Valéry Giscard d'Estaing, the former French president, to return to the French National Assembly.

will thus be able to make his comeback in time for the debate on the Government's 1985 budget which is expected to come under fire from both the Communists and the right-wing opposition parties.

Ever since his defeat by M Francois Mitterrand in 1981, he has made a gradual political comeback. He won his former local council seat in the 1982 cantonal elections with a 72 per cent majority.

Poland assails 'interfering' U.S.

BY CHRISTOPHER BOBINSKI IN WARSAW

WARSAW YESTERDAY accused the U.S. of attempting to "change Poland's political system" by constantly "modifying and multiplying demands" on the Polish Government.

sanctions imposed after martial law was imposed in Poland in January 1983.

whether Mr Bogdan Lis, the recently captured underground leader, would be included in the amnesty, or the charges against him is treason, which is excluded from the amnesty.

YUGOSLAV POLICE have arrested 100 silver miners in an elaborate theft of silver from a mine in the troubled province of Kosovo.

Turkish olive branch for Greece

BY DAVID BARCHARD IN ANKARA

TURKEY'S Prime Minister, Mr Turgut Ozal, yesterday offered to sell fresh water and electricity to the Greek islands and to ease passport requirements for Greeks visiting Turkey as a move to improve relations between the two countries.

accession to the European Community. Last April, the Turkish Government unilaterally removed visa restrictions for Greek visitors to Turkey which had been in force since the Cyprus crisis of 1974.

Denials from local security chiefs that there is any proven link between the thieves and the nationalist underground has not carried much conviction with the Yugoslav public.

Twelve of the 51 worked in the mine and all are ethnic Albanians. Kosovo's racial composition is 80 per cent Albanian, and this share is increasing as ethnic Albanian agitation pushes out non-Albanian Yugoslavs, particularly Serbs.

Woolwich advertisement with financial data: NOW EVEN MORE REASON TO BE WITH THE WOOLWICH. New interest rates from 1st August. 90 DAY ACCOUNTS: 9.25% net p.a. = 13.21%. 28 DAY ACCOUNTS: 9.00% net p.a. = 12.86%. 7 DAY ACCOUNTS: 8.75% net p.a. = 12.50%. SHARE ACCOUNTS: 7.75% net p.a. = 11.07%. THE WOOLWICH MORTGAGE RATE: 12.75% and 8.925%.

Marc Rich will not appeal

ZUG—Marc Rich, the Swiss-based commodities trader, said it will not appeal to the Swiss Supreme Court against his planned transfer to U.S. authorities of documents sought in connection with a U.S. tax evasion charge. It also denied it was guilty of tax fraud as defined by Swiss law on international legal assistance.



OVERSEAS NEWS

Tokyo turns down European-built weather satellite

BY ROBERT COTTRELL IN TOKYO

JAPAN TOLD a delegation of European diplomats yesterday that it does not want to buy a ¥41bn (\$43m) European-built weather satellite. The ambassadors to Japan of Britain, France, West Germany and Switzerland had called at the Japanese Foreign Ministry to support the satellite sale.

The proposed sale was initiated in May by Aerospatiale, the French prime contractor of the European Meteosat programme, and Ariane-Space, the Paris-based European launch consortium.

According to a Japanese Government spokesman, Mr M. Motono, the deputy foreign minister, told the ambassadors that Japan was trying to develop independent technology in some aspects of space and did not at present want to buy a weather satellite. He also said that the 1989 launch "slot" in Japan's satellite programme that the Europeans hoped to fill was for a back-up satellite. It would be inappropriate to buy foreign satellites for this purpose, he said.

European aerospace officials

Japanese companies 'pay more tax than competitors'

BY OUR TOKYO CORRESPONDENT

EFFECTIVE Japanese corporate tax rates are among the highest of any major industrialised country, according to a study by the Japan Federation of Economic Organisations (Keidanren).

The author of the study, Mr Yoshimi Kubouchi, Keidanren's deputy director of financial affairs, says that Japan's statutory corporate tax rates are similar to those of the U.S., West Germany, the UK and France.

The absence of tax relief and special incentive measures for businesses means that the proportion of tax actually paid by the average Japanese corporation is much higher, argues Mr Kubouchi.

According to Keidanren calculations, Japanese corporations will pay, on average, an actual tax rate of 51.57 per cent during 1984, virtually the full

Hong Kong talks resume in Peking

BRITISH AND CHINESE Diplomats yesterday resumed their negotiations on the future of Hong Kong with British sources saying there were still some "pretty intractable issues" remaining to be settled. Reuter reports from Peking. They met for the 19th round of formal talks on the British colony, due to revert to China in 1997, before a weekend visit to Peking by Sir Geoffrey Howe, the British Foreign Secretary.

Chinese trade hopes

China expects its total trade to grow this year after earlier forecasts of a decline, a Ministry of Foreign Economic Relations spokesman told Reuter in Peking. In May, the Government said it expected total trade to fall to \$1.6bn yuan (\$27m) this year from about \$6bn yuan in 1983. The spokesman said China had a \$2.9bn trade surplus in the first half of this year. Exports rose 14 per cent the period last year to \$11.1bn, while imports rose 11.7 per cent.

Chance for Malaysia

Malaysian businessmen should not allow the takeover of Hong Kong by China in 1997 to cloud their business activities with Hong Kong, the Malaysian Trade Commissioner in Hong Kong says in an interview with Business Times Daily. AP-DJ reports from Kuala Lumpur that M. Supperamanian told the newspaper that his countrymen should instead establish contracts now with traders and entrepreneurs, as the Chinese placed emphasis on long-term contracts. He said U.S. and Japanese investors were moving into Hong Kong to fill the vacuum left by others.

... and exports rise

Economic recovery in the U.S. and Western Europe meant an increase in Malaysian exports during the first four months of this year, giving the country a trade surplus compared to a deficit for the period last year, writes AP-DJ from Kuala Lumpur. Deputy Finance Minister Sabardin Chik told Parliament that exports for January-April totalled 11.82bn ringgits (\$3.8bn), up 24.4 per cent over the period in 1983. Although imports also increased by 22 per cent, Malaysia had a trade surplus of 1.657bn ringgits.

Francis Ghiles reports on a dispute with creditor banks over debt rescheduling conditions
Morocco believes it holds the winning hand

TEN MONTHS after Morocco launched efforts to reschedule the about \$520m in medium- and long-term debt owed to commercial banks between September 1983 and the end of this year, agreement is still being held up by a dispute over whether the Banque du Maroc should co-sign or guarantee the final document.

The ten-bank steering committee of leading creditor banks chaired by Citibank and Banque Nationale de Paris wish to draw the central bank into the agreement because of its involvement in the Kingdom's foreign exchange cash flow. The authorities in Rabat have, from the start, been adamant that such a request was unacceptable and, if granted, would amount to an infringement of the country's sovereignty.

Some of the banks, notably in Paris, felt that the initial request was too harsh on the Moroccans, and last spring the steering committee offered to compromise. It suggested that the Banque du Maroc sign a "letter of comfort," whereby it would undertake to provide the necessary resources in foreign currency to meet future debt

payments. So far, neither the Ministry of Finance or the Banque du Maroc have accepted this idea, and bankers are running out of patience.

However, the Kingdom can afford to wait. Indeed, Morocco's leading Western creditors last autumn agreed to reschedule 85 per cent of the \$1.15bn worth of the government-to-government debt owed by Morocco which falls due in the 15 months to December this year.

Last March, the International Monetary Fund (IMF) approved the resumption of drawdowns by the Kingdom in the SDR 300m standby loan, approved last September and which had to be renegotiated following January's riots.

Morocco has also received help from other quarters: blended credits from France, amounting to FF 1.78bn, were agreed earlier this month, a figure slightly above last year's level. The difference is accounted for by supplier credits to finance one ferry and two phosphoric acid carriers which the Kingdom has ordered from the Alstom Atlantique and Chantiers du Nord et de la

Mediterranean shipyards.

The U.S. has also lent a helping hand, essentially in the form of credits to buy cereals.

Morocco's resistance to the request of the Western banks

The Banque du Maroc has for several years warned against what it felt was the Kingdom's excessive reliance on foreign borrowing

has been further strengthened by the discreet but effective support it has received from the IMF. Precedents of getting the central bank involved when rescheduling the foreign debt of various countries is one of the arguments used by the banks to put pressure on Morocco, but the IMF and the Moroccans, feel such precedents are not as clear as the banks profess to believe.

It is also worth noting that for several years now, the

Banque du Maroc has warned in its annual report against what it felt was the Kingdom's excessive reliance on foreign borrowing.

No one paid much attention not least because the central bank does not involve itself with foreign borrowing and cannot provide any kind of sovereign guarantee even if it wished. That is not its role.

These banks which lent to the Kingdom presumably knew all along the difficulties which Morocco was confronting. That they choose to continue lending up to July last year, that their assessment of Morocco's economy proved far too optimistic, is something which does not bother any senior official in Rabat.

Quite apart from the negative impact that intermittent drought has had on Moroccan agriculture since 1979, the eight-year-old political conflict over the Western Sahara is hardly a secret, nor is the fact that it constituted a major drain on resources.

The Government spending spree after the quadrupling of the price of phosphate rock—

its major hard currency earner in 1974-75—and the manner in which it backfired when prices collapsed three years later is well documented.

Moroccan officials nevertheless argue that they have always been scrupulous in paying on time the interest on the country's foreign debt and point to the large increase in exports during the past 18 months.

The authorities in Rabat also know that the Western banks have few options other than cutting short-term credit lines, which amount to \$500m, and that even this move is most unlikely. After all, about half the money Morocco owes to the banks is owed to French institutions, who to date have never shown great concern for those extra legal guarantees which U.S. banks are so fond of.

As for the U.S., it is unlikely that the Reagan Administration, which is building south of Tangiers the largest radio transmitter in the Western world outside the U.S. and recently obtained facilities for the Rapid Deployment Force at Moroccan airbases, would wish to make life impossible for so useful an ally.

Gandhi rejects Sikh state call

BY K. K. SHARMA IN NEW DELHI

MRS INDIRA GANDHI, India's Prime Minister, yesterday firmly rejected the demand for "Khalistan," the independent Sikh state sought by some leaders of the community in the country and abroad. Any such secessionist movement would be curbed with a strong hand, she implied.

Mrs Gandhi also said she would never again allow places of worship to be made into arsenals, as has happened

with the Golden Temple in Amritsar.

The Prime Minister was intervening in a day-long debate in the Indian parliament on the situation in Punjab, where the army was used last month to curb terrorism by Sikh extremists entrenched in the Golden Temple and other Sikh temples.

No MP opposed the army action, but the Government was strongly attacked for bringing

out an incomplete White Paper on Punjab and for failing to identify the "foreign hand" blamed for the troubles.

The Prime Minister also rejected the demands for political autonomy by the Sikh's political party, the Akali Dal, indicating that she wanted strong central government. The Sikhs want to limit its functions to foreign affairs, money matters, defence and communications.

Lange strengthens finance team

NEW ZEALAND'S new Labour Cabinet, to be sworn in today, gives special emphasis to financial matters with two associate ministers of finance, Deputy Finance Minister David Hayward reports from Wellington.

As expected, Mr Roger Douglas has the finance portfolio. Mr Richard Prebble and Mr David Caygill will assist him.

Mr David Lange, the Prime Minister, will look after foreign affairs.

The Cabinet is: Mr Lange, Prime Minister, and foreign affairs; Mr Geoffrey Palmer, deputy Prime Minister and Attorney General; Mr Richard Prebble, minister of transport, specific island affairs and associate minister of finance; Mr Roger Douglas, finance; Mr Michael Moore, overseas trade and tourism; Mr Kora Wetere, Maori affairs; Mr David Caygill, trade and industry and associate minister of finance; Mr Russell Marshall, education;

Mr Frank O'Flynn, minister of state and defence; Mr Michael Bassett, health; Mrs Anne Hecus, police, social welfare and women's affairs; Mr Colin Molyneux, agriculture; Mr Stan Rogers, labour and state services; Mr Bob Tizard, energy; Dr Peter Tapsell, internal affairs; Mrs Margaret Shields, customs and consumer affairs; Mr Kerry Burke, employment and immigration; Mr Phil Goff, housing, and Mr Jonathan Hunt, broadcasting.

S. African English-language newspaper war heats up

BY JIM JONES IN JOHANNESBURG

THE FIGHT for circulation and advertising revenues between South Africa's two main English-language press groups is set to intensify within the next few months.

The Argus Group, which publishes the country's largest selling daily, The Star, in Johannesburg, is to launch a Sunday Star at the end of September. Its rival, South African Associated Newspapers (Saan), plans to relaunch the Sunday Express which circulates mainly in the Johannesburg area, early in August.

Competition between the two groups intensified in April this year when, in response to a threat by Saan's Rand Daily Mail to win classified advertising from the Star, Argus cut rates on property advertisements. Within a few weeks the Star gained virtually all of the property advertising which had been dominated by the Sunday Express.

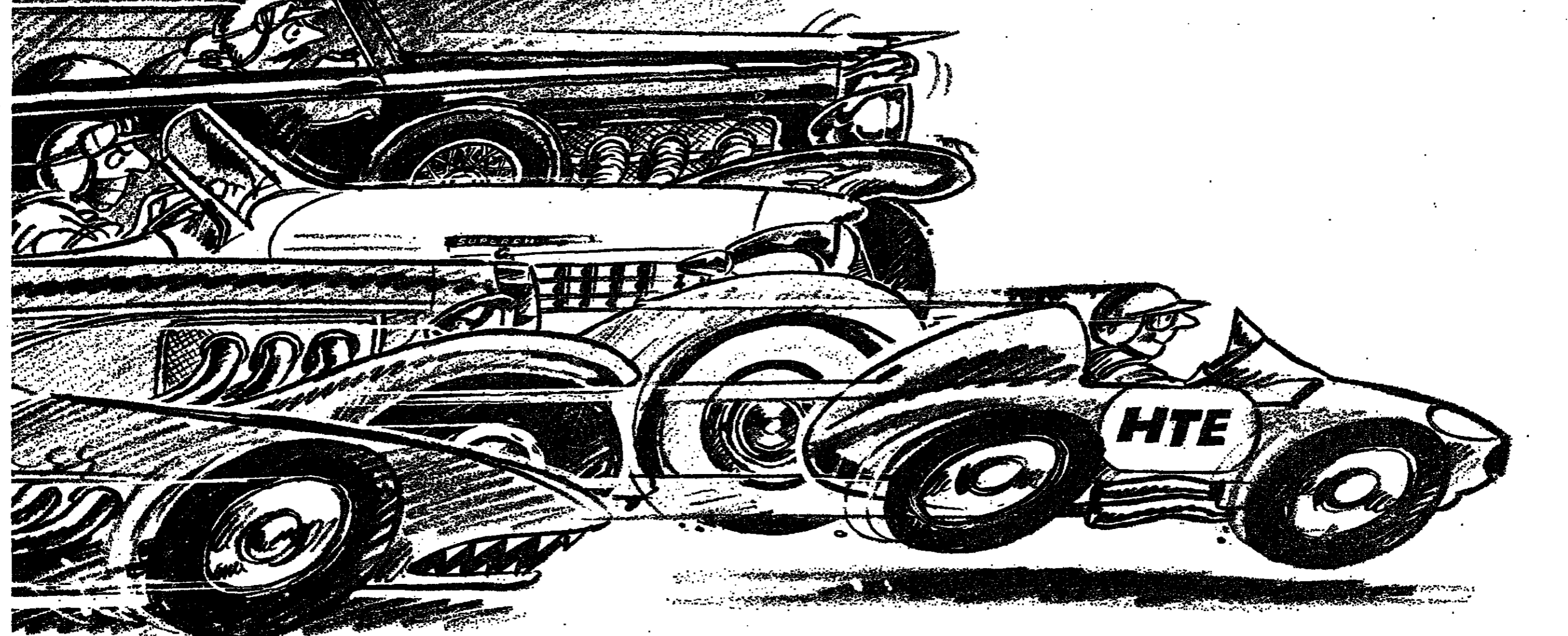
Argus's aim is to win part of the appointments advertising which is currently placed al-

most exclusively with Saan's Sunday Times. Its intention is to offer job advertisers competitively priced space in three weekend newspapers — the new Sunday Star in Johannesburg, the Sunday Tribune in Durban and the Weekend Argus in Cape Town — which have a combined circulation greater than that of the Sunday Times.

The Sunday Express, which is currently a tabloid, is to be launched in a new American tabloid size. Saan's managing director, Mr Clive Kinsley, says that plans for the Sunday Express's relaunch were made last December.

An additional press acquired second hand from Brazil will be used to print the new Sunday Express thereby freeing capacity on other presses to produce supplements for the group's other Johannesburg newspapers.

Both newspaper groups are directly or indirectly controlled by the Anglo American Group and the Oppenheimer family.



When a major car-maker needed a complex Viewdata system, guess who raced away with the honours?

Not many months ago Sperry, who number advanced systems design and assembly among their many hi-tech talents, were engaged on a major contract for a top world car-maker.

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Now this might have remained a private tragedy, of interest only to Sperry and their Customer, but for one important factor.

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amassing a reputation for producing a seemingly endless flow of ingenious, cost-effective, custom-built electronic solutions—and producing them with indecent speed.

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WORLD TRADE NEWS

EEC export credit pact to include nuclear contracts

THE EUROPEAN community is to take part in a scheme agreed among the industrialised countries to extend the export credits consensus — under the aegis of the Organisation for Economic Co-operation and Development — to nuclear power contracts.

Kodak to help establish Chinese colour-film plant

KODAK the world's largest photographic products group, said yesterday it has agreed to help set up and supply technology, equipment and materials for a colour film photographic plant in China.

Japan boosts share of W. German car market

JAPANESE car manufacturers have increased their share of the West German market as a result of the disruption to local production caused by the recent labour conflict over shorter working hours.

Japan cleared in steel valve complaint

THE U.S. International Trade Commission (ITC) has ruled that imports of steel valves from Japan are not injuring domestic producers, AP-DJ reports from Washington.

Ten would hit back at extra U.S. steel curbs

BY OUR BRUSSELS CORRESPONDENT FOREIGN Ministers of the European Community are taking the attitude that it would be inconceivable for the Reagan Administration to place extra curbs on EEC steel sales in the U.S.

White House perched on protectionist volcano

THE REAGAN Administration is perched precariously atop a simmering volcano of protectionist pressures. An eruption or two as the Presidential election approaches may well be unavoidable.

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AMERICAN NEWS

U.S. prices rise 0.2%

U.S. CONSUMER prices rose a moderate 0.2 per cent in June, the same as in May, providing further confirmation that in spite of rapid economic growth inflation is not heating up, the Labour Department reported yesterday.

Company Notices

SOCIETE GENERALE \$ US 50 MILLIONS F.L.R. DUE 1991 For three months, July 18, 1984 to October 17, 1984 the notes will carry an interest rate of 12 3/16% per annum.

SOCIETE GENERALE ALSACIENNE DE BANQUE SUS 20 MILLION F.L.R. NOTES DUE 1989/1991 For six months July 18, 1984 to January 17, 1985 the notes will carry an interest rate of 12 1/16% per annum.

BANQUE NATIONALE DE PARIS Floating Rate Note Issue of US\$250,000,000 1984/1996 The rate of interest applicable to the interest period from JULY 19 1984 up to JANUARY 22 1985 is determined by the reference agent US\$672.03 per note of US\$100.00.

VITRO S.A. US\$75,000,000 FLOATING RATE NOTES DUE 1988 INTENDIBLE AT THE NOTIFICATION OF THE 1991 In accordance with the terms and provisions of the issue, the rate of interest for the period 23 July 1984 to 22 July 1985 has been fixed at 13 3/16% per annum.

Art Galleries AGNEW GALLERY, 41 Old Bond St., W1. 01-522-1111. Tel. 01-522-1111. Fax 01-522-1111. Hours: 10.30-5.30. Tues. and Fri. 10.30-7.00. Other days 10.30-6.00.

Clubs THE CASINO CLUB, 10, Old Bond St., W1. 01-522-1111. Tel. 01-522-1111. Fax 01-522-1111. Hours: 10.30-5.30. Tues. and Fri. 10.30-7.00. Other days 10.30-6.00.

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Optimism over outlook for Canadian economy up to end-1985, says OECD

BY W. L. LUETKENS IN LONDON "THE OUTLOOK for the Canadian economy up to end-1985 is generally favourable, with growth remaining relatively strong, inflation moderate, and the current account in surplus," the Organisation for Economic Co-operation and Development says in its annual report on Canada.

The report says output was faster than expected at the time of the last report, that wage and price inflation rates had been halved, and that profits had rebounded, allowing corporations to strengthen balance sheets. Productivity had gone ahead, too, after several years of mediocre performance.

SEC 'probing largest insider trading case'

BY TERRY DODSWORTH IN NEW YORK THE SECURITIES and Exchange Commission (SEC), the regulatory body for the U.S. securities industry, is investigating what is believed to be the largest case of insider trading in Wall Street history.

Table with 4 columns: CANADIAN PROSPECTS, 1983, 1984, 1985. Rows include GNP, Private consumption, Government consumption, Gross fixed invest., Public, Private, Residential, Non-res., Exports of goods and services, Imports of goods and services, Consumer prices, Unemployment rate.

external account has helped support the Canadian dollar although the report says the room for manoeuvre is restricted. The monetary authorities in Canada appeared to have accepted the consequence of some decline in the Canadian exchange rate.

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Havana to ask for nine-year rescheduling of \$100m in debt

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON CUBA is to seek a nine-year rescheduling of about \$100m in medium-term debt falling due in commercial banks this year, a spokesman for Credit Lyonnais said in Paris yesterday.

Terms of the proposed rescheduling were agreed after last week's accord between Cuba and Western government creditors who are to reschedule about \$250m in debt falling due this year.

Weinberger attacks report on defence

BY OUR WASHINGTON CORRESPONDENT MR CASPAR WEINBERGER, the U.S. Defence Secretary, has charged that the recently released congressional report criticising the ability of the armed forces to sustain combat against the Soviet Union performs a "dangerous disservice to the United States."

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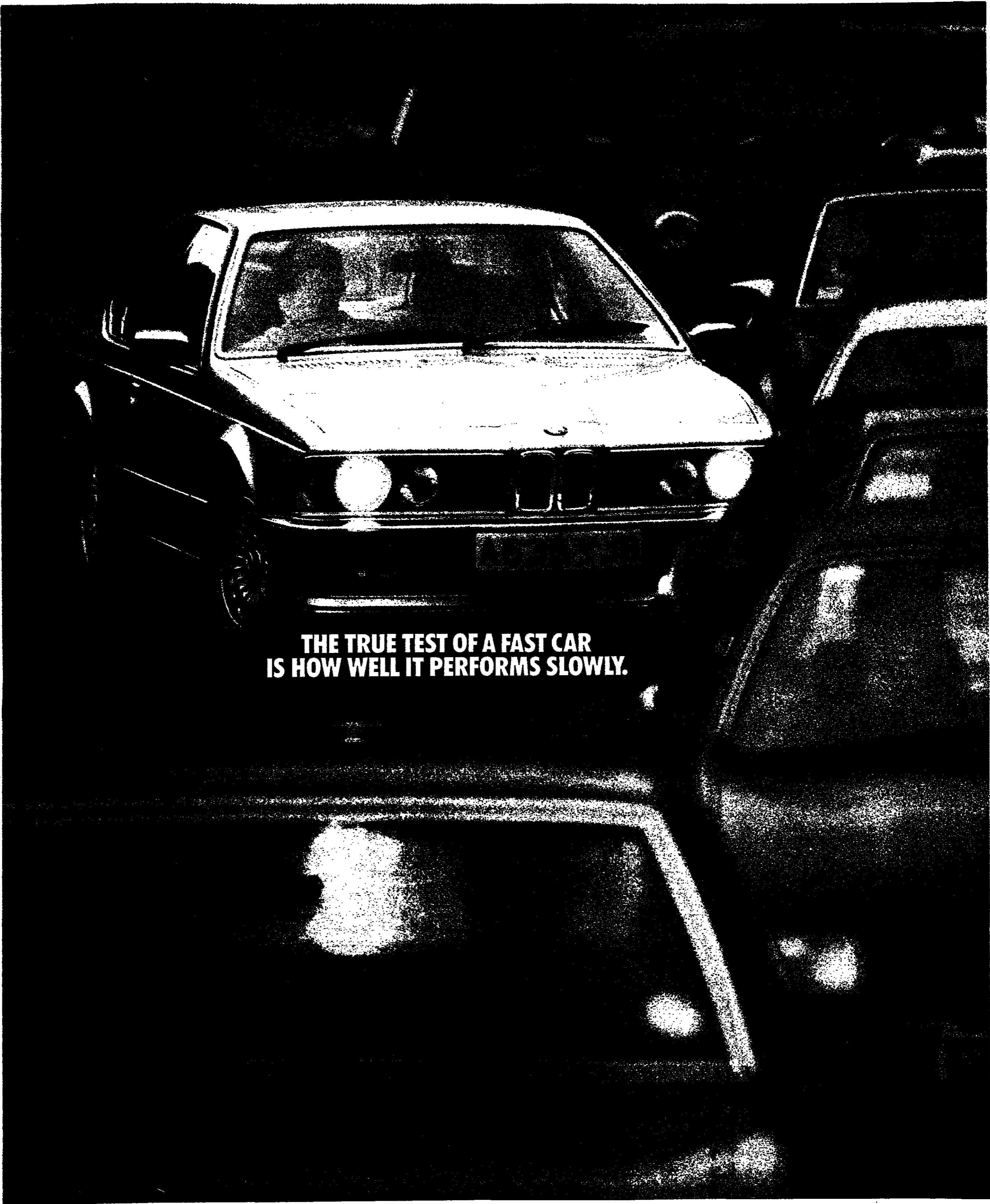
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steel car

volcano

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reschedule
in debt

attack
defence



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THE BMW 635CSi CO2 219.275 THE BMW 635CSi CO2 219.275. FUEL CONSUMPTION FIGURES FOR THE BMW 635CSi: URBAN 29.1 MPG (12.9 L/100 KM), 60 MPH 41.8 MPG (12.9 L/100 KM), 75 MPH 32.5 MPG (14.5 L/100 KM). PERFORMANCE FIGURES SOURCE: MANUFACTURER. MOTOR PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT BUT NOT DELIVERY OR NUMBER PLATES. INCLUDE DELIVERY CHARGE, INCORPORATING BMW EMERGENCY SERVICE AND INITIAL SERVICES £195 + VAT. FOR A BMW 6 SERIES INFORMATION FILE, PLEASE WRITE TO: BMW INFORMATION SERVICE, PO BOX 46, HOUNSLOW, MIDDLESEX OR TELEPHONE 01-897 6565. FOR TAX FREE SALES: 56 PARK LANE, LONDON W1. TELEPHONE 01-629 9277.

UK NEWS

Survival course for the striking miners

WHAT IS life like for Britain's 145,000 striking miners as the fifth month of the stoppage draws to a close? With peace talks apparently shelved for the foreseeable future, the state of the hearts, mind and stomachs of the strikers becomes of increasing importance.

The evidence does not give much encouragement to the National Coal Board (NCB) in its attempts to persuade the men to go back to work. Prising open the coalfields of Scotland, Durham, Yorkshire, North Derbyshire, South Wales and Kent - all almost solidly on strike - depends on a degree of economic and community collapse which has simply not manifested itself.

In fact the opposite has happened. The strike has rekindled a community spirit some believed long dead and the miners' union has organised its own welfare state in miniature to mitigate the worst of the hardship.

Most families are managing to cope on a half or even a third of their previous incomes and the lifestyle even has its advantages - at least in the summer.

Mr Gordon Butler, secretary of the North Derbyshire National Union of Mineworkers (NUM), stresses health rather than hardship: "I'm seeing a different set of members now - they've got suntans and fresh complexions for a change. They're beginning to appreciate what living on the surface is like."

Of course there is discontent. The car is probably off the road or even sold, the television may have gone

back to the rental shop, the telephone may have been cut off, savings have disappeared.

Even local NUM officials like Mr David Crowther in Derbyshire admit that morale does flag. "Each milestone, like a new set of talks, gives you hope. When it passes without anything, you hit rock bottom for a while."

Out of earshot of the activists the union comes in for its share of the blame for the impasse, but traditional loyalties are reinforced by the union's welfare role. For once the union card is - literally - a meal ticket.

Thanks to an enormous administrative effort by the union at local level, the sustenance of central and local government, and the support of the labour movements, the strikers look increasingly as if they could last indefinitely.

The summer, however, is deceptively easy for both sides. The winter will eat up coal stocks faster and boost strikers' morale, but it will also mean higher fuel bills.

Despite Government attempts to tighten up on social security payments to strikers these, ironically, remain the main plank of survival. Single miners receive nothing - and were the first beneficiaries of emergency food parcels.

Miners' wives who are not working are entitled to £21.45 a week social security benefit, but £15 is deducted from that sum for presumed strike pay which the NUM does not pay. Children attract a benefit on a

sliding scale between £9.15 and £16.50, but the separate child benefit payment of £8.50 is deducted from this.

The Department of Health and Social Security (DHSS) will pay towards rent and property taxes. And the interest on mortgage repayments for house purchase loans, in the case of rent, the department pays the whole amount.

For mortgage interest it might only pay a proportion. This is aggravating some building societies which advanced the loans, but most accept the inevitable. Mr Nick Rimmington of the Abbey National in Sheffield says: "There would be no point in repossessing the houses because no one would want to buy them anyway."

A typical miner is Mr Phil Reddish, aged 32 from Markham in Derbyshire. He is married with two young daughters. His wife receives £11 a week in state benefit plus £13 child benefit. The DHSS pays the interest on his £11,000 mortgage of £19 a week.

Mr Steve Harris, also from Markham, gets only 29p a week from the DHSS because his wife has a part-time job. He has been eating into his savings to pay a £90 a month mortgage but only has £90 left.

The Labour Party, trade unions and the public have probably donated more than £5m. The biggest national donations have come from

the train drivers' union Aslef (£50,000) and the National Union of Public Employees (£50,000). The General, Municipal and Boilermakers Union will soon overtake those, having pledged £1,000 a day since June 11.

The Transport and General Workers' Union has contributed £30,000 nationally but estimates money from branches and areas totals more than £100,000. The London branches of the print unions have kept a steady flow of food.

Yet there are some anxieties in the NUM that, at local level the financial support is starting to dry up. Mr David Crowther, in charge of a fund-raising base in Derby, said: "You're finding a few people who assume that because they paid £5 in April they've done their bit for ever."

In Wales on food hand is trying rather bizarre forms of fund-raising as the house-to-house collections cease to cover costs. Last week a group of wives staged a sponsored ferret walk and they auctioned a lamb.

At the start of the strike the NUM's central funds stood at £4.7m. None of that has been distributed to areas, although some recent donations have been. Much of it is spent.

Many NUM areas such as Yorkshire, with £7.6m in its central funds, are richer than the national union. Area money has been used for strike activities such as picket duty or paying court fines and has dwindled fast. North Derbyshire,

for example, had assets of just more than £2m at the start of the strike but is down to one third of that. It has been paying £3 a day to each picket.

Most shopkeepers and businessmen in mining villages are extending credit where they can. Mr John Isaac, a sub-manager of Lloyds Bank, said: "As long as they approach us and tell us what their situation is, we are usually happy to help with an overdraft or even a loan for a particularly pressing bill."

Two food centres I visited in Chesterfield, Derbyshire, and Crumlin, South Wales, were both bustling with activity and shifting enormous quantities of food. The women's action committees appeared to be playing a key role.

The Chesterfield centre distributed about 1,000 food parcels in two weekly trips to the 30 local strike centres. For some families the food parcels are becoming a lifeline.

At Crumlin, Mr Bernard Skinner, the treasurer, sat counting the money from the latest raffle. Since April 28 the food fund - which covers about 14 pits and 7,000 miners - has raised about £100,000. Food is bought in bulk from wholesalers.

In Chesterfield and Crumlin they are already preparing for the autumn with firewood parties. In Derbyshire the local aristocracy has been glad to allow local miners to clear away their dead wood. The bearable hardship of the strike to date makes it more likely that the logs will be burnt.

Steel production normal despite mass picketing

BY OUR INDUSTRIAL STAFF

MASS PICKETING returned to Britain's main steelworks yesterday as mineworkers sought to make their strike more effective, but the overall production of the state-owned British Steel Corporation (BSC) has returned to pre-strike levels despite the blockades.

At BSC's plant at Scunthorpe in eastern England, however, there have been no deliveries of iron ore for more than a fortnight. The management is believed to be concerned, although stocks are sufficient to last until September.

The works, one of the five main integrated plants of BSC, produced 47,000 tonnes of steel last week compared with its normal average of 60,000 tonnes.

The blockade at Scunthorpe looked likely to continue last night after two days of talks at Immingham docks failed to resolve the issue of how ore would be transported to the plant. Talks will resume today.

BSC said ore pellets at Immingham were needed for the "balance" of ore to feed the Scunthorpe furnaces. British Steel's use of unregistered dockers at Immingham caused the two-week national docks strike.

About 500 miners tried to blockade Scunthorpe yesterday but were

turned back by police. Instead they used their cars to block the Humber suspension bridge for more than two hours. More than 80 arrests were made.

There was mass picketing in South Wales outside the Port Talbot and Llanwern steelworks as miners and their wives sought to stop a convoy of more than 130 lorries carrying ore between the two plants. Five lorry windcreens were broken by stones and five women and 18 miners were arrested during fighting.

About 30 arrests were made at Bilston Glen colliery in Scotland when 72 men tried to return to work through the picket lines.

Although British Steel faces a growing problem at Scunthorpe, it has otherwise circumvented the miners' blockade of coal, coke and ore deliveries successfully.

Output nationally was rising 8 to 10 per cent below pre-strike levels when the miners' blockade began a month ago. With the help of lorry convoys and co-operation from steel unions, it is believed to be about in the same position as nearly 20 weeks ago. BSC was then producing about 70 per cent of its milled liquid steel capacity of 14.6m tonnes a year.

Lawson clears £228m tax computer system

BY CLIVE WOLMAN

EUROPE'S LARGEST on-line computer system, costing £228m, will transform the assessment and collection in Britain of more than £30bn of income tax each year. It is to be installed by the Inland Revenue in the next 3½ years, after a quarter-century of delay and controversy.

Mr Nigel Lawson, Chancellor of the Exchequer, said yesterday he had authorised the Revenue to set up 11 processing centres throughout the country.

Computerisation of the Pay-As-You-Earn (PAYE) system will make feasible for the first time several of the most popular proposals for tax reform. These include the introduction of a local income tax to replace property taxes, the integration of tax and social security benefits, self-assessment by individual taxpayers and the overhaul of the taxation of savings and investment.

It could also prove a powerful tool in the investigation activities of the Inland Revenue against tax evaders and fraud.

Mr Lawson's decision comes after nine months of successful testing of the system in 14 West Midlands pilot centres. At present about 800 Inland Revenue staff are engaged in designing and programming the system, but in the next three to four years another 33,000 staff will have to be retrained. The computerisation programme is intended to allow staff cuts of about 8,000.

Computerisation will affect the 26m records of employees who pay tax under the PAYE system. It is also to be extended in 1988-89 to the 3.5m records of the self-employed who pay income tax under Schedule D.

Plans to computerise the PAYE system were first approved in 1962 and one computerised centre to cover Scotland was set up in East Kilbride in 1968. Technical problems and plans to integrate tax and social security benefits - which were ultimately aborted - caused long delays, however, and required a redesign of the proposed system.

Further delays occurred in 1980 when the Inland Revenue was required, under political pressure, to abandon its proposals in favour of a less technologically ambitious plan. This allowed the project to be awarded to the UK computer company, ICL, rather than its larger U.S. competitors.

Since then, however, the project has advanced according to budget and slightly ahead of its timetable. ICL's reputation as a major project contractor has been established by its success in meeting the Revenue's strict performance conditions.

The only major setback was an industrial dispute last winter over staff cuts and use of the new computers in the West Midlands. An agreement over working arrangements was reached with the Inland Revenue Staff Federation in February.

Criticisms have continued to be made about the design of the system for its alleged inability to facilitate tax reform without incurring large costs.

Earlier this month an Institute for Fiscal Studies booklet suggested that a network of microcomputers in local tax offices would be better suited to integrating tax and social security benefits than the centralised mainframe batch-processing computers that the Government is planning to install.

Jaguar sale protest

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

DISGRUNTLED shareholders forced polls to be taken at a special meeting called by B.I., the state-owned motor vehicle group, yesterday to approve the sale of the Jaguar luxury car subsidiary.

The result, however, was a foregone conclusion because the Government owns 99.7 per cent of B.I. and voted in favour of the disposal.

Yesterday's meeting was the final formality to be cleared before Jaguar is sold off via a stock market flotation. Details of the terms are expected within a few days, and

dealings in the shares are likely to start in about two weeks' time.

At one point during the meeting, Sir Austin Bide, chairman, said: "There is obviously a strong feeling that shareholders have not got their fair due." This was a "little hurtful" as it was the board's duty to look after the interests of all shareholders.

"It is not true that we don't give a damn about the small shareholders," he protested with uncharacteristic emphasis. Shareholders complained mainly that they were not being permitted to buy Jaguar shares at a discount.

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From the Annual Report and Accounts of the British Gas Corporation 1983/4, available from H.M.S.O., price £2.00. Further information from the Public Relations Department, British Gas Corporation, Rivernull House, 152 Grosvenor Road, London SW1V 3JL.

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Petrol prices rise by 2.3p

By Dominic Lawson

OIL COMPANIES yesterday followed the lead of Esso by raising UK petrol prices 2.3p a gallon. Shell, BP and Texaco retailers, as well as Esso, set an official pump price of 188.7p a gallon for four-star petrol.

Conoco, which aims to sell petrol at about 1p a gallon less than the majors, said it would maintain that differential.

The move is the second rise in petrol prices since the beginning of June, when it was again Esso which led the field with a 2.3p increase.

There was some doubt yesterday among the oil companies whether the latest rise would increase pump prices in the market, plus by the full amount. Before Esso's announcement there was already heavy discounting, particularly in the north-west of England.

UK NEWS

Minet's £38m offer falls short of acceptance

BY JOHN MOORE, CITY CORRESPONDENT

A £38.17m offer by Minet Holdings, the insurance broker, to compensate 1,525 Lloyd's insurance underwriting members for the alleged misappropriation of their funds by former executives within the group has not been fully accepted.

The offer, which was conditional on 100 per cent acceptance by the underwriting members, closed at 5pm yesterday. Minet is expected to announce the results today.

Minet extended the offer, which was due to close at noon on July 19, when it became clear 1,335 underwriting members had accepted the deal and 190 underwriting members were holding out for a better offer.

In return for receiving funds to compensate them for the disappearance of their money the underwriting members were asked to assign their legal rights in further recovery to a joint company controlled by Minet and Alexander & Alexander Services, another insurance broker.

Minet has made its compensation offer with Alexander & Alexander Services, which owns Alexander Howden. Minet has alleged that some of its former executives used Howden companies secretly to channel the underwriting members' funds offshore to companies owned by former executives.

Minet expected early yesterday that up to 99 per cent of underwriting members would accept the offer. Representatives of a 14-man steering committee of underwriting members who have objected to the offer consider, however, that the 190 who had refused to accept were still holding out. These include big investors whose share of any offer made by Minet in money terms could amount to 20 per cent.

Mr Peter Cameron-Webb, one of the former underwriting executives at the centre of the troubles at Minet, earlier this month told representatives of the underwriting members that he was prepared "to make over virtually all of my assets" to the Richard Beckett Underwriting Agencies company, which looks after the affairs of the members.

In addition, Mr Cameron-Webb has offered to make over to the agency two years' net earnings from his new employment in Florida, where he is working as an underwriter on the Insurance Exchange of the Americas.

The Lloyd's ruling council is meeting today to consider the implications of the Minet deal and to study how many underwriting members will be in default as part of their solvency test at Lloyd's through not accepting the offer.

Government applies spending brakes on 18 urban councils

BY HAZEL DUFFY

THE GOVERNMENT yesterday named 18 local authorities who will have their spending powers curbed in 1985-86 in an attempt to limit rates rises (property taxes). The councils are all in urban areas and, with the exception of two, are Labour controlled.

The exercise, known as rate capping, is the latest in the Government's battery of weapons aimed at controlling local authority spending.

It sets expenditure levels by Government for the first time to form the basis of rates limitation. Out of the total, 15 councils will have to contain their spending next year at their budget for 1984/85, amounting to a cut in real terms of 4 per cent (the GDP deflator).

Three authorities, including the Greater London Council (GLC) will have to cut expenditure by an additional 1 1/2 per cent.

Mr Patrick Jenkin, Environment Secretary, also announced new proposals yesterday aimed at restricting the freedom of the GLC and metropolitan counties - due to be abolished in 1986 - to hand money over to the London boroughs and metropolitan district councils.

The proposals will be incorporated in the main abolition legislation to be introduced in the autumn, but will apply retrospectively to yesterday.

They amount to the toughest weapon employed by the Government so far in its attempt to control spending by the GLC in particular, and were announced the day before the GLC was due to pass £20m in aid to the London boroughs.

Mr Ken Livingstone, GLC leader, described the proposed powers as "the arrogation of an elected dictatorship in action."

Mr Jenkin's announcement on rate capping met with almost equally harsh criticism from some former Conservative Cabinet ministers. Mr Francis Pym, former Foreign Secretary, accused the Government of executing a U-turn away from its commitment to abolish rates and towards a heavier burden for ratepayers.

Mr Geoffrey Rippon, former Environment Secretary, said rate capping was "arbitrary, dangerous, ineffective, and ultimately costly."

His criticisms on rate capping were not alleviated by the fact that the rest of the package announced yesterday by Mr Jenkin on local authority spending includes kinder treatment of Tory-held county councils than in recent years.

Expenditure targets for 1985/86, totalling about £21.8bn, have been set at levels which Mr Jenkin admits are "more realistic" than in the past couple of years. Targets for those authorities categorised as low spenders will enable them to increase spending by 4 per cent, the forecast rate of inflation.

If, as seems likely, the inflation forecast climbs higher, this would probably be taken into account when the final settlement on Rate Support Grant is concluded in December.

The rise in total spending targets will be about £350m. This compares with a £1.7bn increase asked for by councils, although the Department of the Environment says this was nearer £1.4bn after technical adjustments, indicating that on targets the local authorities have done quite well.

The targets for some of the rate-capped councils, however, have had to be increased to avoid the potentially awkward situation where they would be penalised on targets set lower than the limits specified for rate capping.

The penalties for authorities exceeding their targets are much more severe, however. For every 1 per cent of overspend they will lose block grant equivalent to 7p at ratepayer level, for the second per cent overspend 8p, and a further 9p for each 1 per cent overspend after that. A council spending 7 per cent over target, therefore, will lose 60p for each £1 of grant.

NOTICE TO WILLIAMS & GLYN'S BANK ACCESS CARDHOLDERS

The Bank regrets to announce that the interest rate charged to its Access cardholders will be increased from 1.75% to 2.00% per month with effect from 1st August, 1984. From that date, the new rate will be applied to all interest bearing balances, cash advances and to purchases attracting interest for the first time. This means that the ANNUAL PERCENTAGE RATE OF Charge is increased to 26.8%.

The first sentence of Condition 6 of the Williams & Glyn's Bank Access Conditions of Use is accordingly amended from 1st August, 1984 to read as follows:—

'Interest will be charged at the rate of 2.00% per month on a daily basis equivalent to an ANNUAL PERCENTAGE RATE OF 26.8%.'

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British Gas tops target but profit growth slows

BY IAN HARGREAVES

BRITISH GAS'S profit growth slowed down last year but the state-owned corporation still managed to exceed comfortably the Government's financial target.

In its 1983-84 accounts, published yesterday, it reported current cost operating profits of £668m on turnover of £5.4bn. This compares with profits of £563m on sales of £5.9bn in 1982-83.

Calculated on a historic cost basis British Gas's operating profits fell slightly from £1.03bn in 1982-83 to £1.02bn last year.

Based on this historic cost convention the corporation made a 32.6 per cent return on its average net assets. On the current cost basis used by the Government in setting financial targets British Gas returned 5.3 per cent on assets, against a requirement to return 4 per cent a year between 1983 and 1987.

The corporation said its current plans projected that the 4 per cent average figure would not be exceeded over the four-year period.

Sir Denis Rooke, British Gas's chairman, described the performance as outstanding. "The corporation's achievements in 1983-84 bear comparison with those of any other business in Great Britain."

The report shows that the year was surprisingly buoyant for gas sales, which rose almost 5 per cent to 17.2bn therms. Domestic gas sales rose 5.9 per cent and there were more modest increases in sales to industry and commerce, as the corporation lifted the last of its marketing restrictions imposed in the wake of the 1979 oil crisis.

Prices were increased 4.3 per cent in January and should rise "at or around the average rate of inflation" in the next five years, the report says.

The corporation expects gas to continue to increase its share of domestic energy demand from the present 57 per cent to 65 per cent by the end of the decade. Demand is expected to level off after that.

BRITISH GAS		
	1983-84	1982-83
Turnover	£5.4bn	£5.9bn
Operating costs*	£5.75bn	£5.29bn
Profit*	£668m	£563m
Capital spending	£1.1bn	£0.8bn
Employees	112,000	116,000
Current cost return on net assets	5.3 per cent	5.7 per cent

* current cost basis

After three years of falling volumes in the industrial market, the report says gas sales should also continue to rise to a plateau in the 1990s. In the commercial sector a significant advance in market share is forecast from 30 per cent currently to 40 per cent by 1990.

The project to tap gas in Morecambe Bay, on the north east coast of England, was running up to £200m over its targeted cost of £1bn, but it was still expected to bring the first gas ashore this winter, if only in modest volume, the report added.

The project, like many other offshore oil and gas projects, has been subject to a number of delays and cost overruns. Mr James McHugh, British Gas's managing director for production and supply, said initial expectations that the Morecambe development would be as smooth as similar shallow water developments in the southern basin of the North Sea had been proved wrong.

With a 30 foot fast-moving tide, platforms had been built "much stronger than originally envisaged." There had also been late deliveries, the best-known of which involves a jack-up rig from Cammell Laird, the Birkenhead shipbuilder, which should have been delivered in January, but which has still not left the yard.

Mr McHugh said a gas flow of 200m cubic feet a day would "most probably be achieved this winter." Eventually production should reach 1,200m or even 1,800m cu ft a day.

Cheque card security tightened

BY MARGARET HUGHES

BANKS ARE to introduce a new cheque guarantee card in October. It will be aimed at reducing the level of fraud which is now costing banks as much as £21m a year.

The standard cheque card, which guarantees payments up to £50, is issued by 20 banks in Britain. Added security features will be incorporated on the new card. The

signature strip will be wider and made of paper instead of plastic to discourage attempts to erase a signature, while a three-dimensional hologram will display the symbol of the issuing bank.

Banks believe that these features will make it more difficult to tamper with a signature on a card and easier for retailers to spot forgeries.

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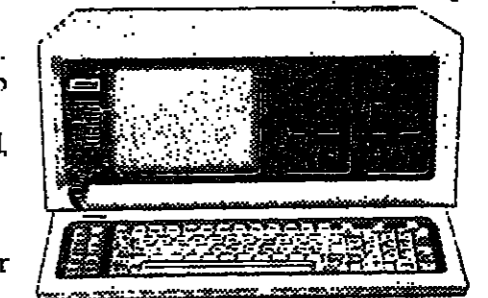
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ENERGY REVIEW

Lloyds Bank Access

Alteration to interest rate



Lloyds Bank announces that the monthly rate of interest charged to its Access cardholders will be increased from 1.75% to 2% per month (equivalent to an Annual Percentage Rate of 26.8%) with effect from 3rd August, 1984.

From that date the new rate will be applied to all interest bearing balances, cash advances and all purchases attracting interest for the first time.

The first sentence of Condition 5 of Lloyds Bank Access Conditions of Use is amended accordingly.

The percentage rates quoted in Condition 6 of Lloyds Bank Access Company Cards Conditions of Use will be similarly amended from the same date.



Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS

Mexico revives plans for a nuclear industry

MEXICO DOES not expect to increase its oil exports in the next four years, but it will press ahead with a scaled-down version of its nuclear power programme, according to a draft of the country's long-awaited 1984-88 energy plan.

The new plan will replace one drawn up in 1980 by the 1976-82 administration of Jose Lopez Portillo, when Mexico leapt from self-sufficiency to being the world's fourth leading exporter of crude, and oil jumped from zero to three-quarters of the nation's export earnings.

The draft now under study by President Miguel De La Madrid, is sharply critical of the policies followed during the high spending Lopez Portillo years which ended in Mexico's worst economic crisis of modern times.

But elements of the 1980 programme remain. The most important is the self-imposed 1.5m barrels per day ceiling on crude exports, though the draft hedges bets by saying this will be subject to revision according to the needs of the nation and the state of the international market.

In keeping with the 1980 plan, the draft proposes that no more than half Mexico's crude exports should go to any one country, nor should Mexico be responsible for more than 20 per cent of any country's imports. At present just under 50 per cent of Mexico's crude exports goes to the U.S.

Both provisions implicitly refer to the U.S., to which Mexico is the leading foreign supplier of crude. Exceptions

are made for the beneficiaries of the recently renewed San Jose accord, under which Mexico and Venezuela supply Central American and Caribbean nations with crude on preferential terms.

Exports of natural gas (for which the U.S. is the only customer) are to be steadily reduced as domestic demand grows. Last year the contract under which Mexico supplies a consortium of companies in the U.S. was cut from 300m to 180m cu ft a day because of falling demand north of the border.

But a big growth in domestic use of natural gas is sure to be criticised by those who would prefer to substitute fuel oil.

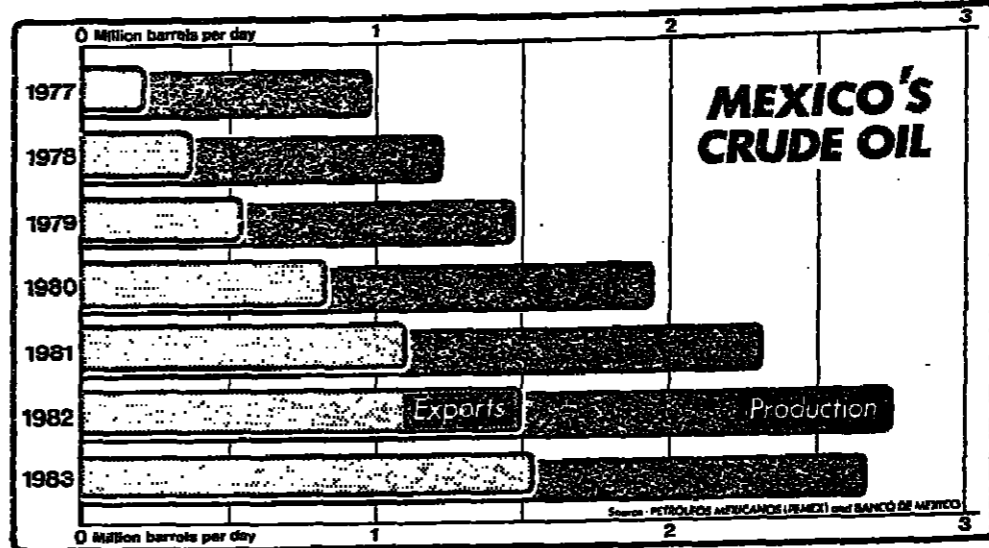
Officials who support continued export of natural gas to the U.S. argue that the country is in no position to snub any opportunity to earn dollars.

Others argue, however, that dependence on a single customer is unhealthy and that gas can increasingly be used domestically as new industrial projects, particularly in steel, and the Cutzamala project to pump water from the south to the capital, come on stream.

This is only one of the areas of controversy which has delayed presentation of the draft, originally promised for late last year.

Perhaps the most controversial of the draft's proposals is a revival in much scaled-down form, of the Lopez Portillo plans to develop a nuclear industry.

A nuclear plant has been under construction at Laguna Verde, in the state of Veracruz, since 1972. But in addition to



Bob Hutchison

the 1,300 Mw at Laguna Verde, the Lopez Portillo administration became the focus of attention of the world's nuclear industry by planning to install a further 20,000 Mw by the end of the century.

The project was considered over-ambitious by foreign analysts. Tenders were submitted in 1982, just as the economy was collapsing and De La Madrid shelved the project soon after he took office at the end of that year.

The draft says that the first of Laguna Verde's two reactors, designed by General Electric of the U.S., should come on stream in 1988 and that work on the first of three new plants should begin in 1989.

The proposal, however, suffers from the weakness of its predecessor. Mexico's six-year political cycle does not match that of the planning and construction of nuclear plants. By 1989 the present administration will be out of office and the nuclear project left to the mercy of its successor.

The draft drastically revises downward the last administration's estimates of uranium reserves, which it puts as just more than adequate to meet the requirements of Laguna Verde-Lopez Portillo claimed that Mexico had more than enough reserves to provide fuel for all of his programmes.

For more than a year, Uramex, the state uranium com-

pany, has been closed on the grounds that the Government's plans make uranium mining unnecessary. Antonio Ponce, spokesman for the nuclear workers' union, which represents the miners, says that research programmes have been sharply cut back at the national nuclear research institute.

"The head of Uramex is trying to stifle the nuclear industry. If these new plans are going to come off we have to push ahead now with exploration and mining. Otherwise, Mexico will have to import fuel for power plants, just when it can least afford to do so," he says.

The nuclear project is part of the draft's proposal to achieve

a moderate diversification away from domestic use of hydrocarbons for energy generation. Hydrocarbons now account for 85 per cent of all the energy produced in Mexico.

During 1984-88, the draft says that crude production, now about 2.7m barrels per day, should grow by 3.5 per cent a year. Exploration, it says, ought to be geared to maintaining or increasing hydrocarbon reserves at 72.5bn barrels, a figure which foreign analysts, including the U.S. Energy Department, consider to be an overestimate.

Most controversy over Mexican reserves surrounds the giant Chicomepec Basin, onshore in Eastern Mexico. The Mexican claim Chicomepec has proven hydrocarbon reserves of as much as 17.6bn barrels. The U.S. Energy Department, however, has alleged that these reserves are not commercially recoverable.

The Mexican forecasts are based on the hypothesis that GDP growth this year will be 0.1 per cent, followed by 3-4 per cent in the 1985-88 period, and that inflation will be reduced to 20 per cent by the end of the period — an optimistic view, in the opinion of many foreign bankers.

The trend set in the last administration, in which energy consumption outstripped by far the overall growth of the economy, must be reversed by adopting pricing policies that cut back sharply on the energy sector's subsidies to industry and private consumers, the draft says.

Ronald Buchanan Mexico City

Above-average cutbacks boost Exxon confidence

AS THE biggest oil company in the world selling over 4m barrels a day of products in 70 countries, Exxon has felt the brunt of the fall in world oil consumption in recent years. So at first sight it would appear to be among the most vulnerable to competition from the new Middle East refineries which are coming on stream this year and next.

Exxon, however, is more confident than some of its rivals about the impact of the new output on a downstream market which is already characterised by surplus refining capacity and extensive shutdowns. Despite its size it has streamlined its downstream facilities faster than most of its rivals. The results are now paying off.

Exxon estimates that it has cut its annual operating costs

in real terms by around \$3bn, or 22 per cent since 1979. Although a lot of this reflects lower sales volumes, the company claims to have cut its unit cost per barrel on clean products by 9 per cent.

Mr Don Cox, one of Exxon's senior vice presidents, recently told New York investment analysts that Exxon was confident that it could beat the competition from the new Middle Eastern refineries.

To match the 50 per cent drop in worldwide industry oil sales since 1979, Exxon has restructured its downstream refining and marketing operations. It believes that it has gone considerably further than the oil industry generally.

Since 1978 it has shed 15,100 jobs in its downstream operations, a 23 per cent reduction.

Over half of the cutbacks were on the marketing side.

- It has cut its worldwide network of service stations by 14,100, or 23 per cent, to achieve greater unit throughput. Exxon estimates that the industry generally has cut the number of service stations by only 15 per cent since the 1978 peak. Exxon still operates 50,000 service stations of which nearly two-thirds are overseas.
- To control its distribution costs Exxon has disposed of 160 terminals, a 30 per cent reduction. Rationalisation has led to an increased throughput of 16 per cent per terminal on average, since the cuts were made.
- The group has reduced its refining capacity by 1.3m barrels a day, or 22 per cent. Since 1978, it has closed or sold 13

refineries. Last year alone it shut plants in Montreal, Milford Haven, Bordeaux, and sold its Greek refinery. By contrast it claims that the rest of the industry has cut refining capacity only by 10 per cent over the period.

- Exxon's tanker fleet has been cut by over a third or 8.4m dwt. It has sold or scrapped 36 tankers and says that it has gone considerably further in trimming this side of the business than its rivals whose cutbacks average around 15 per cent.
- Crude and product inventories have been cut by 25 per cent since 1978 and 35 per cent from the 1981 peak. Exxon estimates that the overall industry decline is 15 per cent over the same period.

In addition, Exxon has been upgrading its sales mix, concentrat-

ing on higher value added clean and specialised products and reducing production of the low value heavy fuel oil. Clean products now represent 80 per cent of Exxon sales compared with 70 per cent in 1979 and the target is 88 per cent by the end of the decade.

Exxon's sales of fuel oil have fallen by 45 per cent, faster than the industry generally. The group has intentionally shed some 13 percentage points of market share. Exxon's heavy fuel oil production has been cut by 450,000 barrels a day, or 40 per cent since 1980.

"We believe to stay competitive we need to continue concentrating on increasing our light product yields," says Mr Cox, adding that Europe has much further to go on this score than

the U.S. where the conversion of heavy fuel oil to clean products in crude runs is 65 per cent compared with around 25 per cent in Europe.

As for the new Middle Eastern capacity, Exxon is relatively sanguine. It estimates that about 1m barrels a day of refined products are currently coming out of the Middle East, and over the next 12 months two 250,000-barrel-a-day refineries in Saudi Arabia will push up the total exports significantly.

"I do not think the world markets need them, and I'd just as soon they were not there," says Mr Cox. "But having looked at their economies rather carefully I have costs which can beat them."

William Hall New York

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ELECTRONICS EXPORTS TO COMECON

The West plugs the high-tech drain

By David Buchan, East Europe Correspondent

A LITTLE publicised agreement in Paris this month has set sweeping new ground rules for the West's military sensitive trade in electronics with the Soviet bloc.

Still to be settled is the broader related matter of new U.S. export control legislation. Congress is still wrangling over renewal of the Export Administration Act and in particular over the troubling issue, to America's allies, of whether the U.S. should impose greater control on technology leaving its shores, even to Nato partners.



Mr Richard Perle: sharply critical

Some grandiose claims are made for the new controls. If properly enforced, they could save the West some \$20bn a year in extra defence spending now needed to match Western-in-spired or derived Warsaw Pact weaponry, a senior U.S. Defence Department official says.

But the commercial impact of the new CoCom agreement will be significant, not only because computers are the biggest single item on the CoCom control list, but also because the old rules are nearly 10 years out of date.

It is represented as reflecting the strategic perception that in four years Soviet bloc indigenous development will have made the latest Western control pointless.

Western exporters need not lose all hope of a sale to the Soviet bloc if their product appears on the CoCom control list. Many items on the CoCom "industrial" list—as distinct from the "munitions" and "atomic energy" lists—have been made exceptions to the embargo at one time or another.

UK transport policy

Why competition is good for travellers

By David Sawers

COMPETITION has become the fashionable prescription for the ills of the British transport industries. The government proposes to abolish all regulation of the bus industry outside London.

Local bus services, a further element of competition can be introduced: who gets to the bus stop first gets the passengers.

Progress requires the destruction of monopolistic control

dispensing subsidies have had no choice in most cases for the recipient of their aid; indeed, they often owned the operator.

Simplicity is a virtue

From Geraldine Kaye Sir,—The latest consultative document to be issued by the Government takes the form of a 21 page glossy booklet.

The Government said it was looking for ways to encourage employers to set up occupational pension schemes.

Minet Holdings' £37m offer to members and conflicts of interest

From the Chief Executive, Minet Holdings Sir,—Lex (July 21) criticised Minet Holdings in the context of the £38m offer to members of the Lloyd's syndicates.

Letters to the Editor

solution of being too simplistic, I merely urge them to heed the old adage that "Simplicity is a virtue."

A shared need in design

From the Public Relations Officer, Scott, Brownrigg & Turner Sir,—Although I fear that exhibitions such as "Women architects—their work," preach to the already converted,

increase the number of women entering the architectural schools, then it has achieved a worthwhile success.

There are a lot of women, however, who don't wish to become architects; some of them choose to become secretaries, librarians or public relations officers.

servient but they are fortunate in not being labeled as such. Madeline Cooper, 10-13 King Street, W.C.2

Mothers at work

From the Manager, European Customer Training, Data General Sir,—How well Eleanor Wallis (July 18) sums up the management potential of the working mother.

Peace of mind does not come cheaply—but it does enable the professional mother to pursue her career and enjoy her husband and children.

"Clydebank Enterprise Zone — a bright spot and important lever in Glasgow's industrial recovery" ... Financial Times

Development Policy

- A four year Scottish Development Agency coordinated programme of physical and economic development has already created a successful business environment.

A Tax Efficient Investment Location

Clydebank Enterprise Zone is unaffected by the changes announced in the 1984 Budget.

Results for the Period to May 1984

Table with 2 columns: Category and Value. Includes rows for New industrial/commercial floorspace completed, Industrial/commercial floorspace taken up, Companies established, etc.

Copies of the Clydebank Development Prospectus may be obtained from Clydebank Task Force, Clyde House, 170 Kilbowie Road, Clydebank G81 2UA. Tel. 041-952 0084.

Business Opportunities in Clydebank

NO TOWN IS MORE ENTERPRISING

Clydebank UNLIMITED

How Morgan Stanley can help institutional investors gain maximum benefits from the repeal of the withholding tax on U.S. debt securities.

The United States no longer levies a 30% withholding tax on interest payments from U.S. Treasury and U.S. corporate debt securities purchased by international investors.

Which means that non-U.S. buyers can now invest in new U.S. debt issues and collect the full coupon rate—free of the U.S. withholding tax.

But with a host of investment opportunities suddenly made available, portfolio managers would be well advised to rely on the experience and knowledge of a top echelon international investment firm. A firm such as Morgan Stanley, which you already know as a major force in the London Eurobond market.

Morgan Stanley opens the door to the U.S. marketplace for you.

Contacting Morgan Stanley's London office gives you immediate access to the full spectrum of the U.S. domestic securities markets. The firm has long been established and holds a pre-eminent position in the U.S. capital markets as a leader in the

underwriting, trading and distribution of both debt and equity securities. We are a market-maker in a wide variety of fixed-income issues.

At Morgan Stanley, you will find a full range of market services in all U.S. Treasury securities, corporate bonds, money-market instruments, and mortgage-backed securities.

New, informative booklet on U.S. debt securities markets now available.

Our market specialists have just prepared a comprehensive reference manual for the use of the international portfolio manager. Complete with charts and graphs, it covers all aspects of the U.S. debt securities marketplace including various types of Treasury securities and the full range of corporate issues—from those of AAA quality to high-yielding "junk" bonds. Simply call or write our London office for a copy of our booklet.

Attend an enlightening seminar on the U.S. fixed-income markets.

In order to give you the opportunity to participate in personal discussions about the U.S. debt securities markets, Morgan Stanley has arranged a series of seminars in various financial centers. Subjects covered will be securities available, yield differentials, quality ratings, ease of liquidity, reward potential, and the like. Ample time will be allotted for your questions.

Cities:

London	Friday, July 27
Paris	Monday, July 30
Luxembourg	Tuesday, July 31
Brussels	Wednesday, August 1
Amsterdam	Thursday, August 2
Zurich	Thursday, August 2
Geneva	Friday, August 3
Frankfurt	Wednesday, August 8

For information on the location and time of these seminars, and to receive our in-depth brochure, or for any other assistance regarding the investment advantages deriving from repeal of the U.S. withholding tax, call Mr. James Tanner in the Bond Department of our London office at 626-9221.

MORGAN STANLEY

P.O. Box 132, Commercial Union Building, 1 Undershaft, Leadenhall Street, London EC3P 3HB, England

LONDON NEW YORK TOKYO CHICAGO SAN FRANCISCO TORONTO SYDNEY

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of stock prices with columns for stock names, prices, and volume. Includes sub-sections like 'D-D-D', 'H-H-H', and 'O-O-O'.

Handwritten Arabic text at the bottom of the page.

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices, listing various stocks with columns for 12 Month High/Low, Stock Name, Dividend Yield, P/E Ratio, and Closing Price.

Continued on Page 24

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices, listing various stocks with columns for 12 Month High/Low, Stock Name, Dividend Yield, P/E Ratio, and Closing Price.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise indicated, the latest dividend is shown.

a-dividend also entails; b-annual rate of dividend plus stock dividend declared; c-new yearly low; d-dividend declared or paid in preceding 12 months; g-dividend declared or paid in preceding 12 months, plus stock dividend; h-dividend declared after split or stock dividend; i-dividend paid this year, omitted, deferred, or no action taken at least dividend meeting; j-dividend declared or paid this year, an accumulative issue with dividends in arrears; k-new issue in the past 52 weeks; l-high range begins with the start of trading; m-net daily delivery; P-E price-earnings ratio; P-D dividend declared or paid in preceding 12 months, plus stock dividend; s-stock split; Dividends begins with date of split; st-sales; t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date; u-new yearly high; v-trading halted via bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such company; w-women distributed when issued; x-women with warrants; y-dividend or ex-rights; z-as-a-distribution; r-without warrants; s-a-dividend and sales in full; yd-yield; b-sales in full.

WORLD VALUE OF THE POUND every Tuesday in the Financial Times

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, and Japan. Columns include country, date, price, and change.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of over-the-counter stock prices with columns for stock name, sales, high, low, and change.

LONDON Chief price changes

Table of London chief price changes for various commodities and currencies.

Table of American stock exchange closing prices for various companies.

Table of Montreal closing prices for various stocks.

Table of New York Dow Jones index and other market data.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Large table of American stock exchange closing prices for various companies.

NEW YORK DOW JONES

Table of New York Dow Jones index and other market data.

STANDARD AND POORS

Table of Standard and Poors index and other market data.

LONDON STOCK EXCHANGE

MARKET REPORT

More favourable U.S. pointers trigger tentative rally in leading shares and gilts

Account Dealing Dates
*First Declared Last Account Dealings Close Dealings Day
July 16 Aug 9 July 27 Aug 6
July 20 Aug 13 Aug 10 Aug 29
Aug 13 Aug 30 Aug 31 Sept 10

London markets welcomed more favourable U.S. pointers and closed firmer than seemed possible midway through the session. Publication of the latest American consumer price index, which showed a 3.1 per cent rise in July, helped to allay fears that inflation was rising behind the country's continued marked economic recovery.

NatWest encountered sudden mid-session selling pressure and dropped from a 30p to 35p to 30p before recovering to close 4p above balance at 590p. Other clearers became upset and Barclays, still remembered to be next in the rights issue queue and additionally aggravated by poor interim figures of its National Bank subsidiary, slipped from 445p to close 5p easier at 435p. Lloyds moved between 438p and 425p before closing 5p off at 430p, but Midland, which starts the interim dividend season tomorrow, displayed resilience and finished 3p dearer at 325p, after 318p. Foreign issues were dull. Reflecting the gloomy interim report, Commerzbank lost 3p at 720p. Deutsche fell 2 points to 531p and Algeme gave up 1p at 567p.

Building shares put up a rather drab performance. Trading was extremely slow, but occasional offerings saw equities drift easier in places. Among housebuilders, falls of a few pence were recorded in Countryside, 176p, and Barrat Development, 81p.

Government stocks were also in better heart and the authorities sold the £200m Treasury 1 1/2 per cent 2008-07, made available to the market on Monday, at 100 1/2. The buyers of the stock were mainly dealers seeking to provide liquidity to operators wanting to switch trading positions. Once the demand was satisfied quotations turned easier before hardening again on the U.S. news.

Longer-dated Gilts finally regained ground half of Monday's point losses, but the shorts were less successful and regained only 1/2. In linked stocks improved by similar amounts.

Life issues rally
Life insurers rebounded smartly to revived takeover speculation and vague rumours that NatWest could exceptionally close a £200m fund-raising operation to launch a bid for a life insurance company. Prices eased in active two-way trading before buyers gained the upper hand towards the close. 4 3/4 rises ranging to 15. Legal and General closed that much better at 489p as did Prudential, at 453p. Equitable rose 1 1/2 to 386p and Equifax and Law Life touched 658p before closing only the turn dearer at 645p.

FINANCIAL TIMES STOCK INDICES

Table with columns for dates (July 24, 25, 30, July 16, 17, July 20) and rows for Government Secs, Fixed Interest, Industrial Ord., etc.

HIGHS AND LOWS

Table showing High, Low, and Change for various stock indices and sectors like Govt. Secs, Fixed Int., Ind. Ord., etc.

S.E. ACTIVITY

Table listing specific stocks such as Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines with their respective values.

Printings, Bazel improved 5 to 240p following an encouraging circular from brokers Wood McKenzie. Advertising agents Geers Cross, on the other hand, lacked support and dipped 6 to 58p.

Nottingham Manufacturing remained a sensitive market and eased to 190p before reverting to the overnight level of 192p following conflicting opinions on the interim figures and future prospects. Press reaction was generally uninspiring, but brokers tended to take a favourable view; De Zoete and Bevan, the company's brokers, rate the shares a "long-term buy" while Phillips and Drew also recommend purchases.

Investment Trusts remained dull with Japanese-orientated issues again bearing the brunt. The 245 of 7 were noted for New Tokyo, 260p, and Drayton Japan, 200p, while GT Japan closed 5 off at 130p.

Oil stocks
Leading oils closed on a mixed note. The majority edged up a few pence in initial dealings following news that other leading retailers had followed Esso's lead in increasing forecast petroleum product prices.

At the close BP showed a 4 decline at 433p, after 431p. Shell dipped to a 585p low of 507p, reflecting persistent fears about North Sea oil prices, before settling only 2 cheaper on balance at 570p.

useful rally in the after-hours trade. Consolidated Gold Fields ended the day a couple of pence harder at 467p, after 463p, and Rio Tinto-Zinc were finally 3 off at 507p, after a 1994 low of 500p.

Demand for Traded Options continued to improve ahead of today's expiry of the July series. Total contracts amounted to 3,917 comprising 2,063 calls and 1,854 puts.

Options
First Last Deal-De Last-De Last-De Last-De Last-De Last-De

NEW HIGHS AND LOWS FOR 1984
NEW HIGHS (5)
CANADIANS (1)
ELECTRICALS (1)
FOODS (2)
HOTELS (1)
INDUSTRIALS (1)
MOTORS (1)

NEW LOWS (10)
CORPORATION BONDS (3)
OILS AND PETROLEUM (4)
AMERICAN (5)
MOTOR CARS (3)
BUILDING (1)
AIRCRAFT (1)
DRY CLEANING (1)
ENGINEERING (1)
INDUSTRIAL (1)
MOTOR VEHICLES (1)
SOUTH AFRICAN (5)
OVERSEAS TRADING (2)
PLANTATION (2)
MINES (2)

RECENT ISSUES

Table listing recent stock issues with columns for Issue Price, Amount, Date, and Stock name.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue Price, Amount, Date, and Stock name.

"RIGHTS" OFFERS

Table listing rights offers with columns for Issue Price, Amount, Date, and Stock name.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. If dividend rate paid or payable on part of capital cover based on dividend of full capital. If assumed dividend and yield based on prospectus or other official estimates for 1984.

MONDAY'S ACTIVE STOCKS

Table listing active stocks with columns for Stock name and Change.

LONDON TRADED OPTIONS

Table listing London traded options with columns for Option, Calls, Puts, and various stock names.

FT-ACTUARIES SHARE INDEX

Table showing FT-Actuaries Share Index performance with columns for various stock groups and sub-sections.

FIXED INTEREST

Table showing fixed interest rates with columns for Price Indices, British Government, and British Government Index-linked Stocks.

GRIPPERDS UP AGAIN

Leading miscellaneous industrial moved indecisively before closing on a firm note. BTR, 430p, and Glaxo, 539p, both closed 5 dearer, while that of a couple of pence were recorded in Hanson Trust, 195p, and Beecham, 287p.

REUTERS

BL hardened the turn to 52p as minority shareholders voted overwhelmingly in favour of the pending Jaguar privatisation. Lead- ing BL share Henry added a penny to 125p-5 above the rejected offer terms from Midexa.

EUROPEAN OPTIONS EXCHANGE

Table listing European options exchange with columns for Series, Vol., Aug., Sept., and various stock names.

FINANCIALS WERE MIXED

Financials were mixed and generally subdued. South African issues generally lost further ground. Johannesburg dropped to a 1984 low of 199p, and St Helena a half-point to 181p.

UK-DOMICILED STOCKS STAGED

UK-domiciled stocks staged a mixed performance. The FT 100 Share Index closed 0.8 points higher at 969.6, after 968.8.

*First yield, high and low record, base rates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BF, price 15p, by post 26p.

FT LONDON SHARE INFORMATION SERVICE

SPARKLING That's BTR

BRITISH FUNDS
Shorts (Lives up to Five Years)
Five to Fifteen Years
Over Fifteen Years
Undated
Index-Linked

AMERICANS
1984 High Low Stock Price % Chg % Div % Yield

CANADIANS
1984 High Low Stock Price % Chg % Div % Yield

INT. BANK AND O'SEAS GOVT STERLING ISSUES
1984 High Low Stock Price % Chg % Div % Yield

CORPORATION LOANS
1984 High Low Stock Price % Chg % Div % Yield

COMMONWEALTH AND AFRICAN LOANS
1984 High Low Stock Price % Chg % Div % Yield

LOANS Building Societies
1984 High Low Stock Price % Chg % Div % Yield

Public Board and Ind.
1984 High Low Stock Price % Chg % Div % Yield

Financial
1984 High Low Stock Price % Chg % Div % Yield

FOREIGN BONDS & RAILS
1984 High Low Stock Price % Chg % Div % Yield

BEERS, WINES—Cont.

1984 High Low Stock Price % Chg % Div % Yield
Beers, Wines, and Spirits

BUILDING INDUSTRY, TIMBER AND ROADS

1984 High Low Stock Price % Chg % Div % Yield
Building Industry, Timber and Roads

DRAPERY & STORES—Cont.

1984 High Low Stock Price % Chg % Div % Yield
Drapery and Stores

ELECTRICALS

1984 High Low Stock Price % Chg % Div % Yield
Electricals

INDUSTRIALS (Misc.)

1984 High Low Stock Price % Chg % Div % Yield
Industrial (Miscellaneous)

BANKS, HP & LEASING

1984 High Low Stock Price % Chg % Div % Yield
Banks, HP & Leasing

CHEMICALS, PLASTICS

1984 High Low Stock Price % Chg % Div % Yield
Chemicals and Plastics

DRAPERY AND STORES

1984 High Low Stock Price % Chg % Div % Yield
Drapery and Stores

ENGINEERING

1984 High Low Stock Price % Chg % Div % Yield
Engineering

FOOD, GROCERIES ETC

1984 High Low Stock Price % Chg % Div % Yield
Food, Groceries etc

BEERS, WINES & SPIRITS

1984 High Low Stock Price % Chg % Div % Yield
Beers, Wines & Spirits

ENGINEERING

1984 High Low Stock Price % Chg % Div % Yield
Engineering

HOTELS AND CATERERS

1984 High Low Stock Price % Chg % Div % Yield
Hotels and Caterers

INDUSTRIALS (Misc.)

1984 High Low Stock Price % Chg % Div % Yield
Industrial (Miscellaneous)

July 25 1984

Financial Times Wednesday July 25 1984

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

LEISURE—Continued

Table of leisure-related stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

PROPERTY—Continued

Table of property-related stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

OIL AND GAS—Continued

Table of oil and gas stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

Commercial Vehicles

Table of commercial vehicle stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

SHIPPING

Table of shipping stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

SOUTH AFRICANS

Table of South African stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

PAPER, PRINTING

Table of paper and printing stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

TEXTILES

Table of textile stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

TOBACCOS

Table of tobacco stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

INSURANCES

Table of insurance stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

PROPERTY

Table of property stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

INVESTMENT TRUSTS

Table of investment trusts including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

OIL AND GAS

Table of oil and gas stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

International Financier DAIWA SECURITIES logo and header.

MINES—Continued

Table of mine stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

TINS

Table of tin stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

Miscellaneous

Table of miscellaneous stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

PLANTATIONS

Table of plantation stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

TEAS

Table of tea stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

MINES

Table of mine stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

O.F.S.

Table of O.F.S. stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

FINANCE

Table of finance stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

OIL AND GAS

Table of oil and gas stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including British Airways, British Petroleum, and British Telecom, with columns for stock price, price change, and volume.

Recent Issues and Rights Page 25. This service is available to every Company...

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as British Group, British Shipley & Co. Ltd., and others, with columns for name, value, and change.

Table listing unit trusts under the heading 'British Group - Continued', including various investment and income funds.

Table listing unit trusts under the heading 'British Shipley & Co. Ltd. (a)(b)', including various investment and income funds.

Table listing unit trusts under the heading 'British Shipley & Co. Ltd. (a)(b) - Continued', including various investment and income funds.

Table listing unit trusts under the heading 'British Shipley & Co. Ltd. (a)(b) - Continued', including various investment and income funds.

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FT UNIT TRUST INFORMATION SERVICE

Table listing unit trusts under the heading 'British Shipley & Co. Ltd. (a)(b) - Continued', including various investment and income funds.

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Table listing unit trusts under the heading 'British Shipley & Co. Ltd. (a)(b) - Continued', including various investment and income funds.

F.T. CROSSWORD PUZZLE No. 5,474

- 1 Confirms oddly suited to the court (8)
2 Joke associated with bad breath? (6)
3 Indecision shows us soft in reason (5)
4 This singer, given a chance, could win a fortune (6)
5 Excess French (5)
6 Napoleon went into island (5)
7 Cigars, ale and possibly port (8)
8 Gift for producing story book in abbreviated form (6)
9 Excess weight? It's his danger (7)
10 One star turn nobody applauds (7)
11 A model employer (8)
12 Formerly a wild Welsh rite (8)
13 Rita's out of step (5)
14 Slip back into the gun room (10)
15 Become less stupid in his form (8)
16 Play for the village (6)
17 The area isn't developed well (9)
18 Eager to go up after a key (5)
19 Neither here nor there (9)
17 Opera repeated in turn by conductor (9)
18 Ultimately how all the details came out on the playwright's couch (2,6)
20 An elevating Kipling poem of unadorned simplicity (4)
21 A row about the Spanish drawing-room (7)
22 A ragged child may be an old city feature (6)
23 Play with spirit on the street (5)
25 Musical chairs (5)

Grid for the crossword puzzle with numbers 1 through 25 indicating starting positions.

Solution to the crossword puzzle, showing the words filled into the grid.

INSURANCES section containing various insurance company advertisements and financial information.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data including Liberty Life Assurance Co Ltd, Life Assur. Co. of Pennsylvania, and various insurance and fund listings.

Table of financial data including Sava & Prosser Group, Target Life Assurance Co. Ltd, and various insurance and fund listings.

Table of financial data including CAI Investments (Int'l) Ltd, Overseas Investment Trust, and various insurance and fund listings.

Table of financial data including Marine Midland (E) Ltd, Midland Bank Plc, and various insurance and fund listings.

Table of financial data including Money Market Trust Funds, Money Market Bank Accounts, and various fund listings.

OFFSHORE AND OVERSEAS

Table of financial data under the 'OFFSHORE AND OVERSEAS' section, including various international fund and insurance listings.

Table of financial data under the 'Money Market Bank Accounts' section, including various bank account and fund listings.

NOTES: Interest rates shown as a nominal rate and an annual percentage rate adjusted for frequency of interest.

COMMODITIES AND AGRICULTURE

India to quit world tea promotion association

By Our Commodities Editor
INDIA HAD decided to withdraw from the International Tea Promotion Association, Mr. Nihara Ranjan Laskar, Minister of State for Commerce, said yesterday, Reuter reported.

Measures to boost EEC beef market prepared

By RICHARD MOONEY

MEASURES AIMED at boosting the sagging European Economic Community beef market are to be considered at this week's beef management committee meeting in Brussels, Mr. Claude Villain, the European Commission's agriculture director, confirmed yesterday.

—and will probably be extended to include whole carcasses and hind-quarters instead of just fore-quarters. In addition, private storage aids are expected to be introduced which may be available for longer than the usual six months so as to keep surplus supplies of the market until early next year, by which time the worst of the slaughterhouse bulge should be over.

designed to bridge the gap between UK market prices and EEC target prices. The recent shortfall in British producers' returns has resulted from a 20 per cent cut in the maximum premium agreed by EEC farm ministers in March as part of a general cost-cutting exercise.

Aluminium output to be reduced

By John Edwards, Commodities Editor

A CUT in aluminium production to stop an excessive inventory build-up was announced yesterday by Reynolds Metals, a leading U.S. producer. The company said it would temporarily close two 25,000-short ton production lines at its Oregon reduction plant.

Turnround in edible oils prices gains momentum

BY A SPECIAL CORRESPONDENT

THE UNUSUAL combination of simultaneous shortages of both soyabean and palm oil last year pushed edible oil prices to the highest level for a decade. It was generally predicted that supplies would remain scarce well into the next (1984-85) season starting in October. That view, however, has changed radically in the past two months.

late summer are now a clear possibility, demonstrating the speed with which the plantations have revived from a series of disasters. One of these was the stress caused by introduction of the pollinating weevil though nature also took a hand with droughts and floods.

run out before the new crop in October. Another bumper crop of European Community rapeseed seems likely to continue to curb demand for U.S. soyabean, particularly in the UK, where rapeseed is now leading vegetable oil output. European fats and oils have also been depressed by unexpectedly large crops of sunflower in Spain. These will find their way increasingly on to export markets.

Wine industry reform proposed

BRUSSELS—Some sweeping reform of the European Community's wine sector to help drain the current 3.2bn-litre (705m-gallon) surplus wine...

Wine industry reform proposed

BRUSSELS—Some sweeping reform of the European Community's wine sector to help drain the current 3.2bn-litre (705m-gallon) surplus wine...

WINE INDUSTRY REFORM PROPOSED

BRUSSELS—Some sweeping reform of the European Community's wine sector to help drain the current 3.2bn-litre (705m-gallon) surplus wine...

WINE INDUSTRY REFORM PROPOSED

BRUSSELS—Some sweeping reform of the European Community's wine sector to help drain the current 3.2bn-litre (705m-gallon) surplus wine...

WINE INDUSTRY REFORM PROPOSED

BRUSSELS—Some sweeping reform of the European Community's wine sector to help drain the current 3.2bn-litre (705m-gallon) surplus wine...

PRICE CHANGES

Table with columns: In tonnes unless stated otherwise, July 24, + or -, Month ago. Lists prices for Metals, Oil, and other commodities.

BRITISH COMMODITY PRICES

Table with columns: Commodity, Unit, Price. Lists prices for Base Metals, Silver, Copper, Tin, and Lead.

WEEKLY METALS

Table with columns: Metal, Price. Lists weekly prices for various metals.

AMERICAN MARKETS

Table with columns: Commodity, Price. Lists prices for Grains, Wheat, Barley, and other commodities.

NEW YORK

Table with columns: Commodity, Price. Lists prices for various commodities in New York.

LONDON OIL

Table with columns: Oil Type, Price. Lists prices for various oil products.

GAS OIL FUTURES

Table with columns: Gas Oil, Price. Lists prices for gas oil futures.

GOLD MARKETS

Table with columns: Gold, Price. Lists prices for gold in various markets.

INDICES

Table with columns: Index, Value. Lists various financial indices.

WOL FUTURES

Table with columns: Wool, Price. Lists prices for wool futures.

LONDON FUTURES

Table with columns: Commodity, Price. Lists prices for various commodities in London.

LEAD

Table with columns: Lead, Price. Lists prices for lead.

COCOA

Table with columns: Cocoa, Price. Lists prices for cocoa.

POTATOES

Table with columns: Potatoes, Price. Lists prices for potatoes.

COTTON

Table with columns: Cotton, Price. Lists prices for cotton.

EUROPEAN MARKETS

Table with columns: Commodity, Price. Lists prices for various commodities in European markets.

ALUMINIUM

Table with columns: Aluminium, Price. Lists prices for aluminium.

COFFEE

Table with columns: Coffee, Price. Lists prices for coffee.

SOYABEAN MEAL

Table with columns: Soyabean Meal, Price. Lists prices for soyabean meal.

MEAT/FISH

Table with columns: Meat/Fish, Price. Lists prices for meat and fish.

Handwritten signature and notes at the bottom of the page.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar loses ground

The dollar finished on a weaker note yesterday, closing below Monday's levels in London. After a firmer start there had been slight softening as the dollar failed to breach a level of DM 2.820 against the D-Mark.

SwFr 2.4870 from SwFr 2.4410. It was also down against the yen at Y246.0 from Y246.90 and Ffr 27.950 compared with Ffr 28.075. Bank of England figures, the dollar trade-weighted index fell from 137.9 to 137.5.

STERLING - Trading range against the dollar in 1984 is 1.4965 to 1.5065. June average 1.4772. Trade-weighted index fell from 137.9 to 137.5 in the morning and compared with 78.9 on Monday and 81.6 six months ago.

with DM 3.79 and SwFr 3.2275 from SwFr 3.2075. It was unchanged against the yen at Y235.75 but rose against the Ffr to Ffr 11.68 from Ffr 11.6350.

EMS EUROPEAN CURRENCY UNIT RATES. Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

The U.S. currency remained underpinned by indications of fast economic growth in the U.S. and forecasts of higher interest rates. It improved from an opening level of DM 2.8677, but was weak Monday's peak of DM 2.8850.

STERLING continued to recover, rising to DM 3.7900 from DM 3.7800 at the fixing. Within the EMS the Dutch guilder improved to DM 88.615 per 100 francs from DM 88.500.

Spot \$1.3225-1.3235 \$1.3200-3210 1 month 0.09-0.06 pm 0.07-0.05 pm 3 months 0.04-0.03 pm 0.01-0.02 dia 12 month 1.30-1.25 dia 1.55-1.58 dia

FINANCIAL FUTURES

Prices firm

Contracts in long term gilts, Eurodollars and U.S. Treasury bonds were very firm on the London International Financial Future Exchange yesterday.

LONDON. THREE-MONTH EURO DOLLAR \$1m points of 100%. Close High Low Prev. Sept 86.50 86.50 86.50 86.50 Oct 86.50 86.50 86.50 86.50

received further encouragement from the expected rise of 0.2 per cent in the U.S. June consumer prices. This confirmed recent signs that inflation remains under control, despite the sharp growth in the economy, and makes the present level of bond yields very attractive.

CHICAGO. U.S. TREASURY BONDS (CBT). Latest High Low Prev. Sept 86.50 86.50 86.50 86.50 Oct 86.50 86.50 86.50 86.50

OTHER CURRENCIES

Table with columns for currency, July 24, and Note Rates. Includes entries for Argentina, Australia, Brazil, Canada, Denmark, Germany, Hong Kong, India, Italy, Japan, Korea, Luxembourg, New Zealand, Norway, Singapore, South Africa, and U.S. Dollar.

CURRENCY MOVEMENTS

Table with columns for currency, July 24, and Note Rates. Includes entries for Sterling, U.S. dollar, Australian dollar, Canadian dollar, Danish krone, Deutsche mark, French franc, German D-Mark, Italian lira, Japanese yen, and New Zealand dollar.

CURRENCY RATES

Table with columns for currency, July 24, and Note Rates. Includes entries for Sterling, U.S. dollar, Australian dollar, Canadian dollar, Danish krone, Deutsche mark, French franc, German D-Mark, Italian lira, Japanese yen, and New Zealand dollar.

THE POUND SPOT AND FORWARD

Table with columns for July 25, Days spread, Close, One month, % Three months, % p.a. Includes entries for U.S., Canada, Hong Kong, India, Japan, Korea, Luxembourg, New Zealand, Norway, Singapore, South Africa, and U.S. Dollar.

THE DOLLAR SPOT AND FORWARD

Table with columns for July 25, Days spread, Close, One month, % Three months, % p.a. Includes entries for U.K., Ireland, Canada, Netherlands, Denmark, Germany, Hong Kong, India, Japan, Korea, Luxembourg, New Zealand, Norway, Singapore, South Africa, and U.S. Dollar.

EXCHANGE CROSS RATES

Table with columns for July 25, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, and Belgian Franc.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns for July 24, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, and Danish Kroner.

MONEY MARKETS

UK interest rates showed only small changes in London yesterday in a rather lacklustre market. There was a very small shift in the yield curve as longer dates registered the only upward movement of the day.

MONEY RATES

Table with columns for July 24, Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, and Dublin.

LONDON MONEY RATES

Table with columns for July 24, Sterling, Local Authority Deposits, Finance House Deposits, SDR, ECU, and Fine.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns for July 24, Sterling, Local Authority Deposits, Finance House Deposits, SDR, ECU, and Fine.

MONEY RATES

Table with columns for July 24, New York (Lunchtime), Prime rate, Broker rate, Fed funds, Fed funds at intervention, and Treasury Bills.

FT LONDON INTERBANK FIXING

Table with columns for London Interbank Fixing, 1.00 am July 24, 3 months U.S. dollars, bid 11 1/16, offer 12 1/16, 6 months U.S. dollars, bid 18 1/16, offer 19 1/16.

MONEY RATES

Table with columns for July 24, New York (Lunchtime), Prime rate, Broker rate, Fed funds, Fed funds at intervention, and Treasury Bills.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns for July 24, Sterling, Local Authority Deposits, Finance House Deposits, SDR, ECU, and Fine.

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Table with columns for July 24, New York (Lunchtime), Prime rate, Broker rate, Fed funds, Fed funds at intervention, and Treasury Bills.

Company Notices

DIVIDEND NOTICE TO THE HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS FOR COMMON STOCK OF TOSHIBA CORPORATION (FORMERLY TOKYO SHIBAURA ELECTRIC CO.) DESIGNATED COUPON No. 54 (Action Required on or Before 31st October 1984)

CHARTER CONSOLIDATED P.L.C. NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER. A final dividend of 7.25p per share will be payable on or after 9th August 1984, to persons presenting coupon No. 39 detached from share warrants to bearer.

Advertisement for Montedison Lire 375.000.000.000 Floating Rate Loan. Managed by Citibank N.A. and I.M.I. - Istituto Mobiliare Italiano. Lists various banks and financial institutions.

This announcement appears as a matter of record only.

U.S. \$82,700,000 (Equivalent Amount)

INA-NAFTAPLIN

Financing for Development of the Molve Gas Field—Yugoslavia

Guaranteed by ZAGREBAČKA BANKA Coordinated by INTERNATIONAL FINANCE CORPORATION

U.S. \$21,700,000 and DM 22,300,000

Fixed Rate Funds Provided by International Finance Corporation

U.S. \$7,000,000

Floating Rate Funds Provided Through IFC Participations by Union Bank of Switzerland Den norske Creditbank American Security Bank, N.A.

AS 40,800,000

Fixed and Floating Rate Funds Provided Through IFC Participation by Creditanstalt-Bankverein

U.S. \$33,000,000

Fixed Rate Export Financing Provided by Export-Import Bank of the United States

U.S. \$10,200,000

Floating Rate Export Financing Provided with Eximbank guarantee by American Security Bank, N.A. Union Bank of Switzerland

July 1984

CAPITAL MARKETS

Ecu 50m issue for UK small firms fund

BY MAGGIE URRY IN LONDON

INVESTORS in Industry (3), the small business finance group owned jointly by the Bank of England and the five British clearing banks tapped the European currency unit market yesterday.

The attraction to 3i was the five-year term - longer than it could have achieved for floating rate funds in sterling - to match its lending. Lead managers are S. G. Warburg and Kredietbank, with much of the investor interest in Belgium.

The coupon is 11 per cent and issue price par. Bank of China will make its first issue in the Samurai market in September, raising ¥40bn. Other borrowers that month will be World Bank (¥40bn), Eurofima (¥20bn) and Spain (¥15bn), according to the September calendar for the market which was published yesterday.

The Eurodollar bond market at tempted a rally yesterday, but "there was no gas" said one dealer. Prices were at best 1/2 point higher by the close.

The D-Mark sector was more stable after recent falls caused by

the possible lifting of coupon tax. Prices were slightly lower where changed, and dealers reported wide spreads in small transactions.

The Kawashima Textile DM 45m convertible was priced by Deutsche Bank with a 4 per cent coupon, and a conversion premium of 3.3 per cent. Repayment will be at 105, in six years, to give a yield of 4 1/2 per cent.

Swiss franc bond prices were slightly down yesterday, though trading closed before the increase in time deposit rates announced by the four major Swiss banks, Credit Suisse launched a SwFr 250m private placement for New Zealand. The five-year 5 1/2 per cent bond will refinance 4 1/2 per cent notes maturing in this year.

Denmark is raising Ft 150m through a 10 year issue with a 9 1/2 per cent coupon. The price will be fixed by Algemeen Bank Nederland on July 31.

L375bn loan for Montedison

BY OUR FINANCIAL STAFF

MONTEDISON SpA, the parent company of Italy's largest private-sector chemicals group, has received a L375 bn (\$512m) loan from 57 Italian and foreign banks

The company said the 18-month financing will carry an interest rate linked to the Italian banking association reference prime rate - currently 17 per cent

BASE LENDING RATES

Table listing base lending rates for various banks and currencies, including Hill Samuel, Allied Irish Bank, Hongkong & Shanghai, etc.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for July 24.

Large table of international bond issues with columns for issuer, amount, maturity, and price.

Rustenburg Platinum Holdings Limited PRELIMINARY REPORT (AUDITED) for the twelve months ended 30th June, 1984. Includes consolidated income statement and declaration of dividend.

OVER-THE-COUNTER Nasdaq national market, closing prices. Table listing various stocks and their prices.